

FINAL INTERNAL AUDIT REPORT

ENVIRONMENT, COMMUNITY SERVICES DEPARTMENT

REVIEW OF PARKING INCOME AUDIT FOR 2018-19

Issued to: Angus Culverwell, Assistant Director, Traffic & Parking,
Chloe Wenbourne, Head of Shared Parking Services,
Colin Brand, Director of Regeneration,
Claire Martin, Head of Finance ECS and Corporate,

Cc Nigel Davies, Executive Director, ECS

Prepared by: Principal Auditor

Date of Issue: January 16th 2019

Report No: ECS/08/2018/AU

REVIEW OF PARKING INCOME AUDIT 2018-19

INTRODUCTION

1. This report sets out the results of our systems based audit of parking income. The audit was carried out in quarter 3 as part of the programmed work specified in the 2018/19 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. A new contract with Contractor A commenced on 3/4/17 and the lifetime of the contract is 10 years and will expire on 2/4/27. The total value of the 10 year contract is £19,222.178. The Executive approved the award of the contract to Contractor A on 30th November 2017. The contract is managed through the shared parking service and a number of key performance indicators are included within the specification.
4. From the start of the contract there had been problems such as delays in banking, problems with reconciliations and miscodings. The Director of Regeneration and the Head of Finance were aware of these issues and that the Parking Service was trying to address these.
5. The Head of Finance for ECS and Corporate Services approached the Head of Audit about her concerns with the cash reconciliations being done by the parking service and a potential loss of income. A change of contractor and new working processes impacted on the service for some time.
6. Parking income levels have fallen mainly due to reduced usage and the initial problems with the commencement of the new parking contract with Contractor A. Finance staff have worked with Parking Services more closely to ensure that any discrepancies have been investigated and resolved. More regular meetings have been held to ensure that the reconciliations are completed correctly.
7. Since the Head of Finance raised concerns, a number of processes and procedures have been enhanced and the reconciliation process prior to the commencement of the audit had improved as a result. Audit testing showed that there

REVIEW OF PARKING INCOME AUDIT 2018-19

still remains circa £12K from the previous year that is being examined further by officers and Internal Audit were made aware of this. Through sample reconciliation testing undertaken, there were no significant findings identified as part of the audit.

8. There is an entry on the Environment & Community Services risk register for income variations due to reduced parking income. This appears as a medium gross and net risk and was last reviewed by the department in October 2018.

AUDIT SCOPE

9. The scope of the audit was outlined in the Terms of Reference which was issued on 18/7/18 for commencement in September 2018. The audit covered 2017/18 and 2018/19 to date. This review does not include PCN's as this was included within a separate audit which was finalised on 18/9/18.
10. Finance have confirmed that the shortfall of parking income for 2017/18 was £197k and the budget monitoring for quarter 2 suggested a reduction of £129k for 2018/19 compared to budget.

AUDIT OPINION

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

MANAGEMENT SUMMARY

12. Our testing identified the following issues which we would like to draw to management's attention:-
 - Procedures were found not to be in place at the commencement of the contract (3/4/17) and were not put in place until 2018. Procedures were dated 31st August 2018.

REVIEW OF PARKING INCOME AUDIT 2018-19

- Contract Monitoring Minutes were found not to be in a standardised format. Minutes did not clearly document decisions made; minutes were incorrectly dated; action points were not tracked for completion and staff names were included rather than post titles.
- Contract variations could not be located in relation to change control notices to the value of circa £252,000 and £160,630 respectively. Other issues arose in respect of some of the Change Control Notices.
- A number of issues have been highlighted in relation to the monitoring of the key performance indicators that are part of the current Contractor A contract. Key Performance Indicators used to be reported within a KPI table but the format has since changed to a short form. Documentation to support or evidence actual KPI results were found not to be standardised. There was a lack of understanding from members of staff as to who is actually responsible for collecting individual KPI's. Issues arose with individual KPI's. There is no supporting documentation to confirm whether the KPI had been met or not met.
- It was found that the Parking Services Team and Senior Management had not completed the mandatory Financial Regulations Training.
- During testing it was found that supporting documentation was not readily available such as the key decisions regarding not collecting some of the KPI's as well as the CCN's. There was also no breakdown of the performance related reduction attached to the monthly invoices.

SIGNIFICANT FINDINGS (PRIORITY 1)

13. There are two significant findings made that relate to contract variations that should have been undertaken and key performance indicators.

Contract Variation

14. On reviewing the Change Control Notices applicable for the Contractor A contract it was found that in relation to CCN 9, that related to Acquiring Charges, the financial impact of the CCN was an increase of £1,800-£2,100 per month to the contract. This relates to the charges that had been incurred by the contractor since the commencement of the contract for using the merchant account for the Contractor B cashless payments. This would equate to £25,200 per year and

REVIEW OF PARKING INCOME AUDIT 2018-19

£252,000 for the lifetime of the contract. However, discussions with the Acting Head of Parking confirmed this could be higher, as this increase was based on usage.

15. Due to the value of the CCN, enquiries were made whether a contract variation sign off form was ever completed with parking services obtaining the relevant approvals via Acting Head of Parking and the Director of Regeneration.
16. It is noted that within Schedule 5 of the contract which relates to Change Control Procedures; that 'A Change Control Note signed by both Parties shall constitute a variation to this Contract in accordance with the terms of the Contract'.
17. Internal Audit liaised with the Procurement team that confirmed that due to the value the CCN would require the sign off form and go via the Commissioning Board as well as requiring Portfolio Approval.
18. This also applies to CCN 1 that relates to £16,063.00 with the effect over the lifetime of the contract being £160,630. Internal Audit have not seen sight of the relevant sign off sheet and Portfolio Approval in both cases.

Key Performance Indicators

19. When reviewing the key performance indicators contained within the contract; a number of issues arose:-
 - The process of collecting KPI's and the relevant documentation used was found not to be standardised. The process by which KPI's are collected is not clearly defined and data held in relation to each of the indicators is not readily accessible.
 - The KPI table that was previously completed stopped being produced. The new Acting Head of Parking advised that this had now been reinstated. The table will need to be amended and reviewed to ensure all relevant information is available at any given time such as responsible officer, source of data etc.
 - The KPI table should be supported by relevant documentation detailing the frequency of collection, responsible post holder, KPI target, KPI actual and the applicable default for the relevant period.
 - KPI's that are not collected frequently should have the relevant supporting documentation to confirm this as such. As and when training is completed as in KPI GP1.

REVIEW OF PARKING INCOME AUDIT 2018-19

- Staff responsible for collecting the KPI's should be easily identifiable.
- There is currently a lack of understanding from the Parking Services team in respect of their knowledge of responsibilities in collecting the KPI data and the impact of the KPI data.

- CB1-3 – Banking of Cash

The Acting Head of Parking who started in post in October 2018, confirmed that these KPI's need to be investigated further. It was confirmed to the Auditor that there is a problem with the Authority's bank not allowing the contractor to bank money directly into the Authority's bank account, therefore the contractor has to bank monies into their own accounts and once that clears the money is transferred to the Authority. A further update is due to be provided from the Acting Head of Parking as there has been a further change in process at the end of the audit.

- MP1-4 Cashless Parking Solution (Mobile Phone)

It was confirmed to the Auditor that there had been an email exchange regarding this KPI; however it is not saved in the folder and therefore not accessible.

- GP1-4 – General Provision

The Auditor was advised that in November 2017 – there is an email exchange about this KPI, however it was not saved in the relevant folder. Internal Audit were advised that no defaults were triggered for other months selected for review. An update has been requested by Internal Audit

- ENF 7- Enforcement

The Auditor was informed by the Acting Head of Parking that this KPI was put on hold and has not been collected for 18 months. There is no documentation formally supporting placing this indicator on hold that could be provided to the Auditor. The Acting Head of Parking advised 'there is a record of it on each months email to the contractor to advise that we have not monitored this KPI this month and it will need to be considered for the future. There are notes most months agreeing that the council and Contractor A need to agree away forward'.

20. Internal Audit would suggest that it would be timely for a review of the current KPI's be undertaken to determine whether these should all continue to be included as the performance measures of the contract.

DETAILED FINDINGS / MANAGEMENT ACTION PLAN

21. 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

22. 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>Procedures It was confirmed by the Parking Data Analyst by email that the that procedures in respect of parking services were not in place until August 2018 (as dated on the various documents) and the contract with Contractor A commenced on 3/4/17.</p> <p>The new procedures were made available to the Auditor and it was noted :-</p> <ul style="list-style-type: none"> • Staff names had been included within the procedures instead of post titles. As a result, the names of staff that have since left the Authority will need to be removed and the procedures updated. • There is no planned review date for the individual procedures. • Procedures should be regularly updated. 	<p>Staff may be working to different working practices.</p>	<p>Procedures and policy documentation should be readily available in place for the current contract.</p> <p>Procedures should be kept up to date to reflect current working practices and be regularly reviewed. Job titles should appear instead of named post holders.</p> <p>[Priority 2]</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
2.	<p>Contract Monitoring Minutes The contract monitoring minutes were provided to the Auditor as requested.</p> <ul style="list-style-type: none"> It was found that the contract monitoring minutes in some cases were undated. The file names of some documents referred to different months. July 2018 referred to August 2018 and September 2018 referred to October 2018. Actions were not always specified in relation to individual agenda items. Actions were found not to be specifically allocated to individual officers and therefore not tasked for completion. Actions from previous meetings are not specifically followed up at the start of the next meeting to confirm that actions have been completed or remain as outstanding. Decisions made in relation to Key Performance Indicators (KPI's) were not always documented. 	<p>Documents held are unclear. Staff may be unaware of their responsibilities. Actions remain outstanding and are not implemented. Completion of actions are not recorded. Actions ongoing are also not documented as such. Changes to KPI's are not documented which may lead to performance data being distorted.</p>	<p>Contract monitoring meeting minutes should be dated, documented thoroughly and provide a clear summary of which discussions are held and the outcome. Actions arising from these meetings should be allocated to individuals specifying an agreed date for completion and followed up at the appropriate scheduled meeting. Decisions or discussions regarding the KPI's should be fully documented.</p> <p>[Priority 2]</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
3.	<p><u>Contract Variation</u></p> <p>On reviewing the Change Control Notices applicable for the Contractor A contract it was found that in relation to CCN 9, that related to the Acquiring Charges, the financial impact of the CCN was an increase of £1,800 - £2,100 per month to the contract.</p> <p>This would equate to £25,200 per year and £252,000 for the lifetime of the contract. However, discussions with the Acting Head of Parking confirmed this was likely to be a lot more as this increase was based on usage.</p> <p>Due to the value of the CCN, enquiries were made whether a contract variation was ever completed with parking services, Commissioning and the Director of Regeneration.</p> <p>This also applies to CCN 1 that has a financial impact of £16,063.00 with the effect over the lifetime of the contract being £160,630.</p> <p>It is noted that within Schedule 5 of the contract which relates to Change Control Procedures; that 'A Change Control Note signed by both Parties shall constitute a variation to this</p>	<p>Lack of understanding of understanding of what was agreed.</p> <p>Lack of a formalised process as requirements are not documented.</p>	<p>A contract variation was found not to have been authorised as expected.</p> <p>As the value of the CCN is between £100k-£500k, a contract variation should have been undertaken then the following should have been in place :-</p> <ul style="list-style-type: none"> • Completion of a sign off sheet confirming the contract variation values and approval. • Agreement with Chief Officer • Agreement via the Commissioning Board

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
	<p>Contract in accordance with the terms of the Contract'. Internal Audit have not seen sight of the relevant sign off sheet and Portfolio Approval in both cases.</p>		<ul style="list-style-type: none"> • Approval by Portfolio Holder <p>Retrospective approval will need to be completed in both of these cases.</p> <p>[Priority 1]</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
4.	<p><u>Change Control Notices (CCN's)</u></p> <p>Copies of CCN's were provided to the Auditor. A number of issues arose :-</p> <ul style="list-style-type: none"> • It is not always clear if the amounts specified are an increase or a decrease in the contract fee (CCN 01); • The CCN's do not always mention the timescale that the specific CCN is applicable for such as the lifetime of the contract or for one year. • CCN's were found not to always have a unique sequential number as there were duplicate references identified. Rather than subsequent additions or revisions to the CCN allocated A, B or C etc. they were given the same CCN references resulting in two CCN 9 documents • Any changes in process are reflected within the procedural documentation. 	<p>The impact of the CCN may be misunderstood as well as the financial impact.</p> <p>Duplicate CCN's may lead to the wrong information being acted upon.</p>	<p>Change control procedures should be fully completed and should be clear and concise. Timescales and amounts should be clearly defined. Each CCN should have a unique sequential number and any amendment should be allocated a secondary reference. CCN procedures should be updated.</p> <p>[Priority 2]</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
5.	<p><u>Key Performance Indicators</u></p> <ul style="list-style-type: none"> • The process of collecting KPI's and the relevant documentation used was found not to be standardised. The process by which KPI's are collected are not clearly defined and data held in relation to each of the indicators is not readily accessible. Data should be available whether a default is triggered or not. • The KPI table that was previously completed stopped being produced. The Acting Head of Parking advised that they had now reinstated this without delay. The table will need to be amended and reviewed to ensure all relevant information is available at any given time such as responsible officer, source of data etc. • The KPI table should be supported by relevant documentation detailing the frequency of collection, responsible post holder, KPI target, KPI actual and the applicable default for the relevant period. • KPI's that are not collected frequently should have the relevant supporting documentation to confirm this as such. As and when training is completed as in KPI GP1. • Staff responsible for collecting the KPI's should be easily identifiable. 	<p>KPI data may be collected different formats.</p> <p>Staff may be unaware of their responsibilities as part of the contract.</p> <p>Reporting formats may not be fully complete and may not include the key data.</p> <p>KPI data may be misinterpreted or could lead to inconsistencies in data reporting.</p>	<p>The process for collecting KPI data should be standardised. KPI data should be readily available for those where defaults are triggered or not and the staff should be allocated responsibility for collecting the individual KPI's.</p> <p>The KPI table should be reinstated and be updated to include the source of data, frequency of collection, all KPI target and actual data and the applicable default fee. Staff should be more aware of their responsibilities in relation to the KPI data and reporting schedules.</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
	<ul style="list-style-type: none"> • There is currently a lack of understanding from the Parking Services team in respect of their knowledge of responsibilities in collecting the KPI data and the impact of the KPI data. • <u>CB1-3 – Banking of Cash</u> The Acting Head of Parking who started in this post in October 2018, confirmed that these KPI's need to be investigated further. It was confirmed to the Auditor that there is a problem with the Authority's bank not allowing the contractor to bank money directly into the Authority's bank, therefore the contractor has to bank the money into their own accounts and once that's clears they transfer the money to the Authority. A further update is due to be provided from the Acting Head of Parking as there has been a further change in process at the end of the audit. • <u>MP1-4 Cashless Parking Solution (Mobile Phone)</u> A sample of months were selected for review. Data for November 2017 could not be provided as held within email format and was not accessible. For May 2018 and August 2018 the Auditor was advised that there was no default triggered and therefore no documentation. • <u>GP1-4 – General Provision</u> The Auditor was advised that in November 2017 – there 		<p>Information requested in relation to the individual KPI data should be readily available. All key information should be held in a shared directory so that it can be accessed by all relevant officers involved in the process where required.</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
	<p>Internal Audit would suggest that it would be timely for a review of the current KPI's be undertaken to determine whether these should all continue to be included as the performance measures of the contract.</p>		<p>Key Performance Indicators should be reviewed to determine whether they remain relevant for the effective performance of this contract. Defaults should be triggered where agreed KPI's are not achieved.</p> <p>[Priority 1]</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
6.	<p><u>Financial Regulations</u></p> <p>It was found that the Parking Services Team and Senior Management had not completed the mandatory Financial Regulations Training.</p> <p>It should be noted that the Financial Regulations Training is currently being updated and is due to be available in the next few months.</p> <p>Once available, all parking services staff will be contacted in order for the training to be completed.</p>	<p>Where financial regulations training is not completed by staff with financial responsibilities, there is a risk that staff may not act in line with the current financial regulations. This could result in financial loss or poor value for money.</p>	<p>All staff within the Parking Services Team, who have any financial responsibilities as part of their job requirements, should complete financial regulations training when the latest version is available.</p> <p>[Priority 2]</p>
7.	<p><u>Supporting Documentation</u></p> <p>During testing it was found that supporting documentation was not readily available such as the key decisions regarding not collecting some of the KPI's as well as the CCN's.</p> <p>It was found that emails were held within the individual mailbox of staff and not held centrally within a shared directory. As staff have since left the Authority, this has impacted on the service as these records no longer being accessible.</p>	<p>There is no audit trail of decisions actually made.</p>	<p>The way in which supporting documentation is held within Parking Services should be fully reviewed to ensure that there is a clear audit trail of all key decisions made internally and those made with contractors; performance data and</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
	<p>Additionally, some emails were saved but there have been problems accessing these records due to problems associated with the email archiving system.</p> <p>It was found that there was no breakdown attached to the invoice in relation to the performance related reduction. For example the invoice states in each month how much the performance related reduction will be but there is no breakdown of how that is calculated.</p> <p>It is noted that parking services will email the contractor to confirm the defaults each month but as highlighted above, these may not be accessible for one reason or another at a given time.</p>	<p>Charges detailed on invoices cannot easily be verified and reconciled back to the records held.</p>	<p>contract monitoring meetings.</p> <p>Supporting documentation to verify that the performance related reduction reconciles back to the invoice spreadsheet should accompany the invoice.</p> <p>[Priority 2]</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

MANAGEMENT ACTION PLAN

Finding No.	Recommendation	Priority *Raised in Previous Audit	Management Comment	Responsibility	Agreed Timescale
1	<p><u>Procedures</u></p> <p>Procedures and policy documentation should be readily available in in place for the current contract.</p> <p>Procedures should be kept up to date to reflect current working practices and be regularly reviewed. Job titles should appear instead of named post holders.</p>	2	<p>The Parking Data Analyst has confirmed that the procedures she was referring to was for all the reconciliation processes for all parking income.</p> <p>All processes are up to date. Personal names have now been removed and replaced with job titles.</p> <p>A monthly check of all processes will now take place and will be the responsibility of the Senior Contracts Officer to keep this up to date.</p>	<p>Parking Analyst for the amending the processes.</p> <p>Senior Contracts Officer will be responsible for ensuring the processes are up to date moving forward.</p>	n/a
2	<p><u>Contract Monitoring Meetings</u></p> <p>Contract monitoring meeting minutes should be dated.</p>	2	<p>I have looked over the Contract Monitoring Framework guidance on the Councils internal sites and got guidance from the Assistant</p>	<p>Acting Head of Service</p>	<p>Feb 2019 Meetings.</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

MANAGEMENT ACTION PLAN

Finding No.	Recommendation	Priority *Raised in Previous Audit	Management Comment	Responsibility	Agreed Timescale
3	<p><u>Contract Variation</u> A contract variation was found not to have been authorised as expected.</p> <p>As the value of the CCN is between £100k-£500k, a contract variation should have been undertaken then the following should have been in place :-</p> <ul style="list-style-type: none"> • Completion of a sign off sheet confirming the contract variation values and approval. • Agreement with Chief Officer • Agreement via the Commissioning Board • Approval by Portfolio 	1	<p>CCN1 was revised by CCN2. Therefore, I will arrange for CCN2 and CCN9 to be counter-signed by the chief officer and portfolio holder to be in line with the council's procedures.</p> <p>A full review of all CCNs will take place to ensure they are all correctly signed off.</p>	Acting Head of Service.	11/01/19

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

MANAGEMENT ACTION PLAN

Finding No.	Recommendation	Priority *Raised in Previous Audit	Management Comment	Responsibility	Agreed Timescale
	<p>Holder</p> <p>Retrospective approval will need to be completed in both of these cases.</p>				
4.	<p><u>Change Control Notices (CCN's)</u></p> <p>Change control procedures should be fully completed and should be clear and concise. Timescales and amounts should be clearly defined.</p> <p>Each CCN should have a unique sequential number and any amendment should be allocated a secondary reference. Procedures should be updated.</p>	2	<p>All CCNs that have been issued will be fully reviewed.</p> <p>Where necessary, an appendix will be issued confirming if the value is an increase or decrease, the timescale confirmed and if the value of the CCN exceeds the £50K limit, it will be arranged for the necessary officer to sign the CCN.</p>	Acting Head of Parking Services	11/01/19

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

MANAGEMENT ACTION PLAN

Finding No.	Recommendation	Priority *Raised in Previous Audit	Management Comment	Responsibility	Agreed Timescale
5.	<p><u>Key Performance Indicators</u> The process for collecting KPI data should be standardised. KPI data should be readily available for those where defaults are triggered or not and the staff should be allocated responsibility for collecting the individual KPI's. The KPI table should be reinstated and be updated to include the source of data, frequency of collection, all KPI target and actual data and the applicable default fee. Staff should be more aware of their responsibilities in relation to the KPI data and reporting schedules.</p>	1	<p>The monthly KPI table has been reinstated. The table has been reviewed so that it names the officers responsible for the task and also where the reports are ran from.</p> <p>A review of the folders are currently taking place and all documents will be updated monthly on the contract Register Database as well as a Sharepoint file being created.</p> <p>A full review of the KPIs will be taken place with the management team in the new year with the view of seeing if any KPIs are unnecessary to the contract.</p>	Acting Head of Parking Services	01/02/2019

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

MANAGEMENT ACTION PLAN

Finding No.	Recommendation	Priority *Raised in Previous Audit	Management Comment	Responsibility	Agreed Timescale
	<p>Information requested in relation to the individual KPI data should be readily available. All key information should be held in a shared directory so that it can be accessed by all relevant officers involved in the process where required.</p> <p>Key Performance Indicators should be reviewed to determine whether they remain relevant for the effective performance of this contract. Defaults should be made where agreed KPI's are not achieved.</p>				
6.	<p><u>Financial Regulations</u></p> <p>All staff within the Parking</p>	2	Enquires will be made for training of all staff involved in finance.	Acting Head of Service	Jan 19

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

MANAGEMENT ACTION PLAN

Finding No.	Recommendation	Priority *Raised in Previous Audit	Management Comment	Responsibility	Agreed Timescale
	<p>Services Team who have any financial responsibilities as part of their job requirements, should complete financial regulations training when the latest version is available.</p>				
7.	<p><u>Supporting Documentation</u> The way in which supporting documentation is held within Parking Services should be reviewed to ensure that there is a clear audit trail of all key decisions made internally and those made with contractors; performance data and contract</p>	2	<p>All background information concerning any decisions, CCNs, KPI defaulting will be filed together on the sharepoint drive.</p> <p>A full review of the folders surrounding the contract will take place.</p>	Acting Head of Service	Jan 19

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

MANAGEMENT ACTION PLAN

Finding No.	Recommendation	Priority *Raised in Previous Audit	Management Comment	Responsibility	Agreed Timescale
	<p>monitoring meetings. Supporting documentation to verify that the performance related reduction reconciles back to the invoice should accompany the invoice.</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

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.