



**FINAL**

**Internal Audit Report**

Operational Services Department

**Review of Roads & Amenity Services – Waste Management  
Administration**

September 2007

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## APPENDICES

1	DETAILED FINDINGS
2	ACTION PLAN

## **1. BACKGROUND**

- 1.1 This report has been prepared as a result of the Internal Audit review of Roads & Amenity Services – Waste Management Administration as part of the 2007/2008 Internal Audit programme. We identified current practices and critically evaluated these to the standing orders in order to highlight variances.
- 1.2 In recent years the Strategic Waste Fund Grant and the PPP with Shanks has been the subject of review by Internal Audit. Currently there are a number of issues affecting Waste Management; these include introduction of alternate weekly collections, assisted uplift policy, efficiency of existing refuse and recycling routes.
- 1.3 The administration of Waste Collection was therefore seen as an appropriate topic for review. The Section operates 35 vehicles for collecting waste. Mainland Argyll & Bute excluding Helensburgh and Lomond is part of the PPP with Shanks while the Council operates directly the islands and Helensburgh and Lomond.
- 1.4 As a result of our Audit work, findings were generated. These findings were subsequently discussed with management and a report produced.

## **2 AUDIT SCOPE AND OBJECTIVES**

- 2.1 The broad objectives of the review were to ensure:
  - That waste vehicles downtime is managed and kept to a minimum; and
  - That non productive time is duly authorised;
- 2.2 The adequacy of the arrangements to meet the objective has been assessed using a grading of one to five ticks (✓ 's). Five ticks indicate good arrangements and one tick inadequate arrangements are in place. The assessment is set out in section 6 (figure 1). The assessment has been made by considering the value and significance of the findings and recommendations.

## **3 AUDIT APPROACH**

- 3.1 The following approach was used to satisfy the objectives of the audit:
  - An initial meeting was held with management representatives and following these discussions it was agreed we would concentrate on two areas these being Helensburgh and Lomond and Mid Argyll.

- The administration system for waste collection was identified and documented and an internal control questionnaire devised.
- It was explained that the Auditor would call for evidence on a sample basis as appropriate to back up the responses.
- The documents and information provided together with the completed control summary were reviewed by Internal Audit and queries arising were subsequently raised with Auditees.
- Appropriate compliance and substantive tests were devised and carried out and as part of the exercise; visits were made to the Helensburgh and Kilmory Depots as well as the vehicle workshop in Helensburgh, Blairvadach House and Manse Brae.
- All findings/matters arising were raised and discussed with the Supervisors and Managers as well as Senior Management.
- A draft report was prepared and a copy passed to the Head of Service and the Assistant Operations Manager - Waste for comments.
- Comments were included in the final report, which was then passed to the Departmental Strategic Director.
- The final report includes an action plan, which lists all actions agreed with management.

#### **4 SUMMARY OF MAIN FINDINGS**

- 4.1 Internal Audit found that the Depots ceased recording vehicle downtime at the end of 2005/06.
- 4.2 The Driver's Daily Defect Check Record was not being accurately completed.
- 4.3 The Helensburgh Depot Driver's Record Books did not record the actual time they finished their working day.
- 4.4 Driver's Record Books and employee's Time Sheets and hence non productive time were appropriately authorised.

#### **5 ACTION PLAN**

- 5.1 The action plan attached at Appendix 2 has been compiled with the co-operation and agreement of the Area Managers.
- 5.2 Internal Audit considers that, in an effort to improve the quality of information, monitoring and control, the recommendations should be implemented in accordance with the agreed action plan. Management have set achievable

implementation dates and will be required to provide reasons to the Audit Committee for failure to implement within the agreed timescale. Where management decides not to implement recommendations it must evaluate and accept the risks associated with that decision.

- 5.3 A system of grading audit findings, which have resulted in an action, has been adopted in order that the significance of the findings can be ascertained. Each finding is classified as fundamental, material or minor. The definitions of each classification is set out below:-

**Fundamental** - major observations on high level controls and other important internal controls. Significant matters relating to factors critical to the success of the objectives of the system. The weakness may therefore give rise to loss or error;

**Material** - observations on less important internal controls, improvements to the efficiency and effectiveness of controls which will assist in meeting the objectives of the system and items which could be significant in the future. The weakness is not necessarily great, but the risk of error would be significantly reduced if it were rectified;

**Minor** - minor recommendations to improve the efficiency and effectiveness of controls, one-off items subsequently corrected. The weakness does not appear to affect the ability of the system to meet its objectives in any significant way.

## 6 OVERALL CONCLUSION AND ASSESSMENT AGAINST OBJECTIVES

- 6.1 The Auditees section has an excellent working knowledge of the processes involved. However, during the course of the audit, some areas were identified as requiring improvement and therefore, various recommendations have been made, these have been discussed with management and an action plan agreed. (Any issues not accepted by management are done so with their knowledge and acceptance of risk and control weakness.)
- 6.2 Figure one below sets out a summary of the overall conclusions arising from the audit in terms of the specific objective detailed at section 2.1

**Figure 1: Summary of overall conclusions**

Specific objectives	Assessment
That waste vehicles downtime is managed and kept to a minimum	✓✓
That non productive time is duly authorised	✓✓✓✓✓
<p><b>Key:</b></p> <ul style="list-style-type: none"> <li>✓✓✓✓✓ - Arrangements accord with good practice and are operating satisfactorily.</li> <li>✓✓✓✓ - Arrangements accord with good practice, but certain minor matters noted as requiring improvement.</li> <li>✓✓✓ - Adequate arrangements in place, but certain matters noted as requiring improvement.</li> <li>✓✓ - Arrangements in place offer scope for substantial improvement.</li> <li>✓ - Concern is expressed about the adequacy of the scope of these arrangements.</li> </ul>	

## 7 ACKNOWLEDGEMENTS

- 7.1 Thanks are due to The Auditee’s section for their co-operation and assistance during the Audit and the preparation of the report and action plan.
- 7.2 Argyll & Bute Council’s internal audit department has prepared this report. Our work was limited to the scope in paragraph 1.2 of this report. We cannot be held responsible or liable if information material to our task was withheld or concealed from us, or misrepresented to us
- 7.3 This report is private and confidential for the Council’s information only and is solely for use in the provision of an internal audit service to the Council. The report is not to be copied, quoted or referred to, in whole or in part, without prior written consent.

**APPENDIX 2**

**ACTION PLAN**

ACTION PLAN NO	PARAGRAPH	GRADE	WEAKNESSES IDENTIFIED	AGREED ACTION	RESPONSIBLE OFFICER	DATE OF IMPLEMENTATION
1	1.1 to 1.6	Material	1. 17 of 49 Driver's Daily Defect Check records were missing. 2. Of 32 records 25 were incomplete. 3. 53 entries which should have been recorded were not. 4. Drivers were confused as to whether the form was a vehicle or driver related form.	1. The Driver's Daily Defect Check Record should be retained in each vehicle and treated as relating to that vehicle only. 2. All defects and not just those found in the daily check, pertaining to the vehicle should be recorded by noting the Driver's Defect Record Book Form No on the appropriate day. 3. When the repair has been completed the blue copy of the Driver's Defect Record Book signed off by the Workshop should be	Area Supervisors   Area Supervisors   Area Supervisors	November 2007   November 2007   November 2007

ACTION PLAN NO	PARAGRAPH	GRADE	WEAKNESSES IDENTIFIED	AGREED ACTION	RESPONSIBLE OFFICER	DATE OF IMPLEMENTATION
				attached to the Vehicle Daily Defect Check Record form and returned to the Supervisor at the end of each month. 4. Each month the Supervisor should ensure that he receives a Vehicle Daily Defect Check and Defect Record for each vehicle together with the blue copy Defect Record Book Form and retain these in an individual vehicle file. This will provide a full defect /downtime record for each vehicle.	Area Supervisors	November 2007
2	1.7 to 1.11	Material	1. Driver's Record Books weekly sheets are not always completed.	1. All operatives who are required to drive a Council vehicle even if intermittently should be issued with a Driver's Record Book to be	Area Supervisors	November 2007



ACTION PLAN NO	PARAGRAPH	GRADE	WEAKNESSES IDENTIFIED	AGREED ACTION	RESPONSIBLE OFFICER	DATE OF IMPLEMENTATION
			<p>2. There is an inconsistency in the treatment of the lunch break in the completion of Driver's Record Books.</p> <p>3. The Driver's Record Books at Helensburgh &amp; Lomond did not record the time the driver went off duty.</p> <p>4. At Helensburgh &amp; Lomond a Task &amp; Finish regime is operated as a result of custom and practice as opposed to any formal arrangement</p>	<p>completed in respect of any week in which he is required to drive</p> <p>2. The way in which lunch is to be recorded or omitted should be decided by management and driver's instructed accordingly in order that consistency of treatment is achieved.</p> <p>3. Drivers at Helensburgh and Lomond should record the actual time they go off duty in the Driver's Record Book thus providing a record of the effect of Task and Finish.</p> <p>4. Consideration should be given to rationalising the working arrangements within each Area or alternatively formalising existing arrangements</p>	<p>Assistant Operations Manager – Waste</p> <p>Area Supervisors</p> <p>Head of Roads and Amenity Services</p>	<p>November 2007</p> <p>November 2007</p> <p>March 2008</p>

ACTION PLAN NO	PARAGRAPH	GRADE	WEAKNESSES IDENTIFIED	AGREED ACTION	RESPONSIBLE OFFICER	DATE OF IMPLEMENTATION
				by agreement.		
4	1.15	Material	It is some 5 years since the waste collection routes were determined and timed and in that time it is probable that significant changes have occurred e.g. new house building, the introduction of wheelie bins.	The waste Collection routes should be reviewed and assessed at least every 4 years or earlier if significant change occurs in the interim.	Area Managers	December 2007