

Argyll and Bute Council
Internal Audit Report
February 2020
FINAL

Grounds Maintenance

Audit Opinion: Reasonable

	High	Medium	Low
Number of Findings	0	3	0

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1. Executive Summary

Introduction

1. As part of the 2019/20 internal audit plan, approved by the Audit & Scrutiny Committee in March 2019, we have undertaken an audit of Argyll and Bute Council's (the Council) system of internal control and governance in relation to Grounds Maintenance.
2. The audit was conducted in accordance with the Public Sector Internal Audit Standards (PSIAS) with our conclusions based on discussions with council officers and the information available at the time the fieldwork was performed. The findings outlined in this report are only those which have come to our attention during the course of our normal audit work and are not necessarily all the issues which may exist. Appendix 1 to this report includes agreed actions to strengthen internal control however it is the responsibility of management to determine the extent of the internal control system appropriate to the Council.
3. The contents of this report have been agreed with the appropriate council officers to confirm factual accuracy and appreciation is due for the cooperation and assistance received from all officers over the course of the audit.

Background

4. Grass cutting and grounds maintenance is carried out across Argyll and Bute throughout the year according to planned schedules. This includes the maintenance of cemeteries, sports fields and pitches and amenity open spaces (e.g. verges and parks).
5. Across the Council's four administrative areas gardening staff levels have reduced over the last six years from 26.5 to 16 and work schedules have been adjusted accordingly.
6. The Council has introduced, and is further developing, a system called Environmental Land Manager (ELM) which enables grounds maintenance officers to access work schedules via handheld tablets.
7. The Council has entered partnership arrangements with third sector organisations, such as community councils, for those organisations to maintain areas of ground the Council no longer maintain.

Scope

8. The scope of the audit was to review the Council's policies and procedures in relation to grounds maintenance, the Council's compliance with those procedures and the arrangements in place to manage partnership arrangements as outlined in the Terms of Reference agreed with the Operations Manager, Development & Infrastructure Services on 25 October 2019.

Risks

9. The risks considered throughout the audit were:
 - **Audit Risk 1:** Failure to comply with established policies & procedures
 - **Audit Risk 2:** Schedules are not reviewed, monitored and updated regularly
 - **Audit Risk 3:** Partnership arrangements are not appropriately managed

Audit Opinion

10. We provide an overall audit opinion for all the audits we conduct. This is based on our judgement on the level of assurance which we can take over the established internal controls, governance and management of risk as evidenced by our audit work. Full details of the five possible categories of audit opinion is provided in Appendix 2 to this report.
11. Our overall audit opinion for this audit is that we can take a reasonable level of assurance. This means that internal control, governance and the management of risk is broadly reliable. However, whilst not displaying a general trend, there are areas of concern which have been identified where elements of residual risk or weakness may put some of the system objectives at risk.

Recommendations

12. We have highlighted three medium priority recommendations where we believe there is scope to strengthen the control and governance environment. These are summarised below:
 - key items of machinery and equipment should be prioritised for winter servicing
 - a partnership register should be established and periodic reviews of partnership arrangements carried out including checks to ensure partners have the appropriate insurance, permits, licences and permissions as required by partnership agreements
 - a record of training delivered to partner organisations should be compiled and maintained.
13. Full details of the audit findings, recommendations and management responses can be found in Section 3 of this report and in the action plan at Appendix 1.

2. Objectives and Summary Assessment

14. Exhibit 1 sets out the control objectives identified during the planning phase of the audit and our assessment against each objective.

Exhibit 1 – Summary Assessment of Control Objectives

	Control Objective	Link to Risk	Assessment	Summary Conclusion
1	The Council has, and complies with, appropriate policies/ procedures in relation to grounds maintenance.	Audit Risk 1	Reasonable	Toolbox talks are provided to staff however no training record per employee is maintained. Complaints are progressed in line with the Council process. Machinery and equipment are repaired as necessary but winter servicing does not always take place. Improvements are required in relation to recording machinery maintenance and staff training. Vehicles follow a robust inspection programme and annual service and MOT to ensure availability for use, however, there is limited evidence of six monthly driver licence checks being carried out.
2	Work is carried out in line with the	Audit Risk 1 Audit Risk 2	Substantial	Processes are in place to update maintenance schedules and monitor

	prepared schedules and this is monitored and revised accordingly.			the delivery of services. Efficiencies are being generated through using new technology and the service is continuing to develop the use of the ELM system to deliver further efficiencies in future.
3	Partnership arrangements are in place and appropriately managed.	Audit Risk 3	Limited	Partnership agreements are in place, however, there is no register of all partnerships and no record of training provided to voluntary organisations. The Council has not requested to view documentation in relation to insurance, permits, licences or permissions that partners are supposed to have as per the terms of partnership agreements.

15. Further details of our conclusions against each control objective can be found in Section 3 of this report.

3. Detailed Findings

The Council has, and complies with, appropriate policies/procedures in relation to grounds maintenance

16. There are no formal policies and procedures however the service does have a manual of 'toolbox talks' which were first created in 2015, reviewed in 2018, with a further review scheduled for 2021. These provide appropriate content and guidance for the service and the type of work involved.
17. The manual is issued to the workers as part of their induction and a hard copy retained at each depot. An annual schedule of toolbox talks has been established which is broadly adhered to. Deviations from the schedule are for valid reasons such as staffing or weather conditions.
18. We reviewed a sample of fifteen complaints on the Council's complaints system which related to grounds maintenance, cemeteries and parks and confirmed they had been progressed appropriately and action taken where required.
19. Horticultural mechanics and charge hands are responsible for ensuring machinery and equipment are operational by carrying out an annual service schedule and repairs as needs arise. All workers are required to inspect and test equipment prior to use and hand them to the horticultural mechanic for repair should any item fail to operate or break-down during the course of the working day.
20. Sample checking of manual maintenance and repair logs confirmed that machinery and equipment is repaired as necessary however annual winter servicing is not always carried out for all machines. We were advised that this is due to resource pressures resulting in mechanics being asked to assist in other areas of service delivery such as cemetery work and refuse collection.

21. In order to find a pragmatic balance between available resource and required work there may be benefit in establishing a programme of prioritisation to ensure that more critical machinery receives the annual service with less critical being serviced less regularly.

Action Plan 1

22. Records of maintenance and repair logs and only kept on paper records at various locations. Nothing is recorded electronically. No audit recommendation has been raised in this report as a recent review undertaken by the Health and Safety Executive (HSE) made a similar recommendation to digitise machinery records. The service is progressing this and intends to use the Tranman fleet management system for this purpose.
23. Items needed to repair and maintain equipment and machinery are generally ordered as required, the mechanic sources the item and passes this information to the line manager to order via PECOS. Some generic spare parts and consumables are retained in the depot and as these items are of a non-reportable value, no stock records are required to be maintained.
24. Workers are required to be trained in health and safety and in the operation of relevant machinery and equipment. Toolbox talks are delivered on a scheduled basis and demonstrations provided by experienced users. A handwritten log of attendance at toolbox talks is maintained however this does not record expected attendance and indicate who should be there or if any worker was absent. There is no central record of training undertaken by workers and no evidence of follow-up should a training event be missed. Consequently we were unable to provide full assurance that officers are being provided with all appropriate training. Whilst we recognise there are resource implications in maintaining accurate training records there is a risk that the Council may breach the Health and Safety at Work Act which states that *'It shall be the duty of every employer to ensure, so far as is reasonably practicable, the health, safety and welfare at work of all employees.'*
25. This issue was also flagged in the HSE review and is to be addressed utilising functionality within Tranman, consequently no recommendation has been made.
26. Quality standards are communicated to workers through toolbox talks and equipment has standard settings applied to ensure consistency. Random checks are made occasionally but routine inspections of work carried out are rarely performed. Testing confirmed that complaints are dealt with appropriately and there was only 25 received in relation to grounds maintenance, cemeteries and parks from January to October 2019. This provides a degree of assurance that work is undertaken to a good standard. Consequently no recommendation has been made to implement routine inspections as we do not consider it to be a productive use of limited resource.
27. Council vehicles are subject to a programme of maintenance inspections, services and MOTs. Fleet management generate a monthly list of vehicles due for intervention and contact the supervisors to ensure the vehicle is provided to Council's mechanics for work to be undertaken. A sample of seven maintenance history reports from Tranman consisting of one vehicle from each of the Council's main depots was reviewed which confirmed inspections were recorded at the correct intervals. Services and MOTs are performed annually however review of the vehicles sampled highlighted that only three had been serviced in the past year and only two had had an MOT. Upon further enquiry, it was established that the services and MOTs had been carried out but not entered correctly on Tranman.

28. Driving licence information for any officer required to drive as part of their duties should be checked every six months and updated on Tranman. A sample of six drivers were reviewed to ensure that license checks had been performed, the results were as follows:

- one in the previous six months
- two in the previous 12 months
- two in the previous two years
- one in the previous three years.

At the time of this audit a fleet management audit was also in progress. This issue is considered more appropriate to be raised as part of that audit so has not been raised here to avoid repetition.

29. All six drivers sampled had been provided appropriate training in the safe operation of vehicles.

Work is carried out in line with the prepared schedules and this is monitored and revised accordingly

30. The ELM system enables supervisors to assign scheduled and unscheduled work to teams, reducing paperwork and creating more efficient working practices. The team record when work is completed on ELM which allows progress, and time for completion to be monitored. ELM is still under development, at present it is operated through provision of spreadsheets containing the area name, size, frequency and size or timing to the supplier for upload to allow generation of the weekly schedules. Through time, all maintenance areas will be added to the system as an asset with this information embedded to allow generation of the work schedules without the need to upload spreadsheet data.

31. An annual exercise is undertaken to review and update the information held on ELM to ensure all maintained areas are included, and their measurements, frequency of maintenance and duration of work are accurate. However there can be reasons why areas may take longer than scheduled where it is not appropriate to update ELM (e.g. adverse weather, ground conditions or machinery issues). ELM is only updated where it is a necessary change which will impact future scheduling. Furthermore weekly performance reports are reviewed and supervisors can advise if it is necessary to further amend ELM.

32. The information held on ELM is used to generate a weekly work programme which is transferred to handheld tablets used by grounds maintenance workers. Reports were provided for a sample of 16 areas on ELM and we confirmed that maintenance is predominantly completed as scheduled. Maintenance not completed as per the schedule was due to inclement weather, poor ground conditions or unavailability of workers. The number of cuts to be undertaken for each area to be maintained (excluding pitches) during 2020-21 has been revised to 12 from 16 as a savings measure.

33. Unscheduled or reactive work can be added to the tablets so it can be factored into the weekly schedule. Work is progressed in clusters of adjacent areas and largely complies with the set durations, this can vary slightly in periods of adverse weather and/or ground conditions. Work is assigned on ELM to each team by the supervisor and 'ticked' by the worker once complete or the supervisor is informed if an area is missed and the reason why. The supervisor will check ELM and mark the work as complete if appropriate and reassign or defer if not.

34. Weekly performance reports of scheduled and unscheduled work are generated which indicate the current status of the work. If work has not been completed as expected it is either

reassigned or will be actioned in the next scheduled cycle. Comments are entered on ELM to provide a brief explanation as to why work has not been completed as expected.

35. The tablet is assigned to one person and requires a monthly password update. This can create difficulties if that person is not available (i.e. through sickness absence) as the tablet cannot be used. The service is engaging with ICT to identify a solution utilising a generic email login. In the meantime copies of the weekly schedule can be printed to provide a manual workaround. Appropriate training in the use of the tablet is made available to officers.
36. At the time of the audit there were in excess of 26,000 entries of work recorded on ELM. Screen shots were provided for a sample of 16 areas from a population of 571 entries on the performance reports and reviewed. The sample included entries from across the Council's four administrative areas focusing on the largest contributors of grass cutting and sweeping. This confirmed that each work area has an allocated frequency, duration or size and given a unique job number each time it is added to the schedule.
37. The introduction of tablets is delivering efficiencies as:
- paperwork is no longer completed and manually entered onto ELM
 - work updated on the tablet is uploaded to ELM instantly
 - there is less need for onsite inspections as photographs can be taken using the tablets to evidence completion of work or provide images of poor conditions that prevented work.
38. However there are further efficiencies that can be achieved through further use of technology and the service is continuing to explore these opportunities. For example ELM is not currently able to interface with other council systems. The Council's IT department are currently developing an application to be installed on the tablets which will allow timesheet data to be entered directly to the TOTAL costing system. This will deliver efficiencies in data input, including the automation of timesheet input for payroll purposes and improved performance and financial information.

Partnership arrangements are in place and appropriately managed.

39. The Council has partnership agreements in place where community councils and other voluntary organisations undertake grounds maintenance work in areas no longer maintained by the Council. Formal minutes of agreement are prepared by the Council's legal team and signed by parties involved. Amenity Services hold a list of these partnerships however this list is incomplete. During the audit we were provided with the minutes of three agreements that were not on the list. Additionally it is thought that there may be more informal agreements in place that are not recorded anywhere. Legal Services prepare the minute of agreement for partnerships however they also do not maintain a register of them.

Action Plan 2

40. The minutes of the three agreements provided were reviewed. Two were created in the current year and subject to annual review and one was established in 2016 and subject to quarterly review. There was no evidence that these quarterly reviews had occurred.

Action Plan 2

41. The three agreements reviewed stated that the partnership organisations should maintain adequate insurance cover against public liability, third party risks and also cover the value of the equipment provided. The agreements also require that details of this cover should be provided to the Council upon request. One of the organisations is a community council who are covered

under the Council's insurance policy however there has been no request made for evidence of insurance cover held by the other organisations. The minute of agreements also state that partners should obtain and maintain any permits, licences, permissions, consents, approval, certificates and authorisations associated with the agreement. There is no evidence that the Council ensures these are in place.

Action Point 2

42. Partner organisations are provided with a health and safety manual and toolbox talks at the beginning of each season however no record of this is maintained.

Action Point 3

Appendix 1 – Action Plan

	No	Finding	Risk	Agreed Action	Responsibility / Due Date
Medium	1	<p>Winter Servicing of Machinery and Equipment</p> <p>Annual winter servicing of machinery and equipment does not always take place due to resource pressures resulting in mechanics being asked to assist in other areas of service delivery such as cemetery work and refuse collection. There may be benefit in establishing a programme of prioritisation to ensure that more critical machinery receives the annual service with less critical being serviced less regularly.</p>	<p>Machinery and equipment may fail during periods of use resulting in injury or increased complaints from the public.</p>	<p>All machinery will be subject to annual maintenance to comply with manufacturing guidelines.</p>	<p>Operations Manager</p> <p>30 June 2020</p>
Medium	2	<p>Managing Partnership Arrangements</p> <p>The Council has partnership agreements where community councils and other voluntary organisations undertake grounds maintenance work in areas no longer maintained by the Council however there is no formal register of all the partnership arrangements. Additionally there was no evidence that periodic reviews had taken place as outlined within the minute of agreements including those to ensure that public liability and third party risks insurance cover, any permits, licences and permissions etc. were in place.</p>	<p>Unable to establish full extent of partnerships in place and follow-up on any compliance checks.</p> <p>The partner may not be appropriately insured resulting in liability resting with the Council.</p>	<p>Meetings will be held to discuss and review partnership arrangements.</p>	<p>Operations Manager</p> <p>30 September 2020</p>

Medium	3	<p>Partner Training</p> <p>There is no record of the Council delivering toolbox talks to partners upon delivery of the equipment at the start of each season.</p>	<p>The Council may be liable if a member of a voluntary organisation is injured using Council equipment and there is no evidence of training being provided.</p>	<p>Record of training provided to partners will be maintained.</p>	<p>Operations Manager</p> <p>30 September 2020</p>
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In order to assist management in using our reports a system of grading audit findings has been adopted to allow the significance of findings to be ascertained. The definitions of each classification are as follows:

Grading	Definition
High	A major observation on high level controls and other important internal controls or a significant matter relating to the critical success of the objectives of the system. The weakness may therefore give rise to loss or error.
Medium	Observations on less significant internal controls and/or improvements to the efficiency and effectiveness of controls which will assist in meeting the objectives of the system. The weakness is not necessarily substantial however the risk of error would be significantly reduced if corrective action was taken.
Low	Minor recommendations to improve the efficiency and effectiveness of controls or an isolated issue subsequently corrected. The weakness does not appear to significantly affect the ability of the system to meet its objectives.

Appendix 2 – Audit Opinion

Level of Assurance	Definition
High	Internal control, governance and the management of risk are at a high standard. Only marginal elements of residual risk have been identified with these either being accepted or dealt with. A sound system of control designed to achieve the system objectives is in place and being applied consistently.
Substantial	Internal control, governance and the management of risk is sound. However, there are minor areas of weakness which put some system objectives at risk and specific elements of residual risk that are slightly above an acceptable level and need to be addressed within a reasonable timescale.
Reasonable	Internal control, governance and the management of risk are broadly reliable. However, whilst not displaying a general trend, there are areas of concern which have been identified where elements of residual risk or weakness may put some of the system objectives at risk.
Limited	Internal control, governance and the management of risk are displaying a general trend of unacceptable residual risk above an acceptable level and placing system objectives are at risk. Weakness must be addressed with a reasonable timescale with management allocating appropriate resources to the issues raised.
No Assurance	Internal control, governance and the management of risk is poor. Significant residual risk and/or significant non-compliance with basic controls exists leaving the system open to error, loss or abuse. Residual risk must be addressed immediately with management allocating appropriate resources to the issues.