

Argyll and Bute Council

Internal Audit Report

November 2021

FINAL

Street Cleaning

Audit Opinion: Substantial

	High	Medium	Low	VFM
Number of Findings	1	2	1	1

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1. Executive Summary

Introduction

1. As part of the 2021/22 internal audit plan, approved by the Audit & Scrutiny Committee in March 2021, we have undertaken an audit of Argyll and Bute Council's (the Council) system of internal control and governance in relation to Street Cleaning.
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. Street cleaning enhances the physical appearance of the towns and communities in which we live and is carried out across the four administrative areas of Argyll and Bute throughout the year according to planned schedules. This includes manual and mechanical sweeping, litter picking and verge side litter collection.
5. The service operates with a budget of approximately £1.3m for 2021-22 with 23 fulltime and 7 part-time employees as at August 2021, 3 of these are seasonal (temporary). The Council has entered one partnership arrangement with a third sector organisation in Oban which provides funding for one of the seasonal employees.
6. Section 89 of the Environmental Protection Act requires that local authorities keep land and public highways for which they are responsible, so far as is practicable, clear of litter and refuse. The whole road network of the Council area covers 2,300km including both rural and urban areas. The Council's Local Environment Teams and designated street sweepers are responsible for cleaning 182.5 km of urban areas and laybys, additional verge clearing across the road network takes place when a need is identified.
7. Local Environmental Audit and Management System (LEAMS) has been the national performance indicator for street litter cleanliness since 2003/04. It is part of Keep Scotland Beautiful (KSB), a registered charity set up to monitor issues such as litter, dog fouling, fly-tipping, fly-posting and graffiti and in partnership with Scottish Councils was originally developed to help meet obligations under best value using a combination of self and independent monitoring.

8. The Council along with 30 of the 32 Scottish Councils pay an annual fee of approx. £12k to participate in LEAMS and gain access to forums and training. There is a minimum requirement to self-assess a 5% random sample of streets twice yearly with KSB independently assessing a 5% sample annually, the Council completes and submits results from monthly self-assessments. Officers performing the self-assessment are trained by KSB to ensure consistency in assessment criteria across Scotland.
9. The Council operates a system called Environmental Land Manager (ELM) which generates daily work schedules for street cleaning assigned to the Local Environments Teams (LETs) who will record when work is completed to allow progress, and time for completion to be monitored. Work schedules for manual street sweepers in town centres and the mechanical street sweepers are maintained on excel spreadsheets.

Scope

10. The scope of the audit was to review the Council's control environment and compliance with relevant policies and procedures as outlined in the Terms of Reference agreed with the Head of Roads and Infrastructure Services on 15 November 2021.

Risks

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

Audit Opinion

12. 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.
13. Our overall audit opinion for this audit is that we can take a substantial level of assurance. This means that 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.

Recommendations

14. We have highlighted one high priority recommendation, two medium priority recommendations, one low recommendation and one value for money recommendation where we believe there is scope to strengthen the control and governance environment. These are summarised below:
 - the arrangement with Oban Business Improvement District (BID) to recover cost of an additional seasonal street sweeper should be formally documented
 - consideration should be given to basing recharges on actual costs and consideration given to whether recharges should be applied to non-income generating car parks

- drivers should be reminded that licences require to be checked twice yearly
- the Manual for refuse collection and street cleansing should be reviewed
- ELM system should be updated consistently across all areas

15. 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

16. 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 street cleaning.	Audit Risk 1	Substantial	SharePoint site contains an extensive suite of risk assessments, guidance and training resources that are communicated to employees. However, the planned review of the Refuse Collection/Street Cleansing Safety Instructions/Tool Box Talks Manual has not been undertaken.
2	Work is carried out in line with the prepared schedules, is monitored and revised accordingly.	Audit Risk 1 Audit Risk 2	Substantial	Both manual and electronic schedules are well established, however, electronic schedules are not being updated consistently across all areas. Internal recharges are processed for street sweeping of the Council's fee-paying car parks. Mechanical equipment and vehicles undergo a programme of inspection and maintenance regimes. Driver licences require to be checked twice yearly and recorded on Tranman. However, one driver was not recorded on the Tranman system and two driver's licences are overdue to be checked. Performance standards are clearly communicated and evidence through results published annually in Local Environmental Audit and Management System (LEAMS) report.
3	Partnership arrangements are in place and appropriately managed.	Audit Risk 3	Limited	The Council has an arrangement with Oban Business Improvement District (BID) to recover funding for an additional seasonal street sweeper. The street sweeper has been appointed through the Council's recruitment process, however no

				payments have been received and we were unable to obtain a copy of a formal partnership agreement.
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17. 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 street cleaning

18. The service utilises a SharePoint site containing an array of risk assessment documentation, toolbox talk resources and comprehensive safety instructions/tool box talks manual (The Manual) for refuse collection and street cleansing employees. The Manual is issued to new employees as part of the induction process and a hard copy is retained at each depot. A schedule of toolbox talks is prepared annually to ensure employees receive refresher training and any relevant updates.

19. The Manual was first issued in May 2015, revised in May 2018 with a planned review date of May 2021. This review has not been undertaken.

Action Plan 2

20. To ensure compliance with policies and procedures:

- all machinery and equipment used for street cleaning is subject to a programme of maintenance and replacement. The records for the four mechanical street sweepers were reviewed and found to be appropriately maintained, however one had yet to be updated on Tranman. Two of the seven 3.5 tonne tipper vehicles used by LETS were also selected for review and found to be compliant with requirements
- the Council's fleet management system, Tranman contains a record of all maintenance, inspections, services and MOTs (where relevant) for machinery and vehicles, training records and holds driver information records.
- Street sweepers are trained in health and safety and are provided with appropriate personal protective equipment
- street sweepers are trained in the correct operation of machinery and equipment
- street sweepers work very closely with LETs and use of their vehicles when required to travel to work locations not within walking distance. Area supervisors ensure that vehicles are inspected, serviced and MOT'd
- drivers licences are checked twice yearly to ensure they remain valid and cover the correct class of vehicles driven. A review was undertaken of driver licence checks for 11 drivers, 8 were found to be compliant with procedures, 2 licence checks were overdue and one record could not be located on Tranman.

Action Plan 3

21. Complaints are dealt with in accordance with the Council's corporate process and any remedial action is undertaken as required. Street cleaning received two complaints in the last year in respect of street cleaning, both of which were appropriately resolved.

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

22. Street sweepers are employed to clean town centres using both manual and mechanical equipment. The schedules for work are maintained on spreadsheets and street sweepers are familiar with the schedules. If an additional request for street sweeping is received, the area supervisor will contact the street sweeper by mobile phone to add to the day's tasks.
23. Local Environment Teams (LETs) in each area will assist with street sweeping duties. Schedules for this work are maintained on the Environmental Land Management (ELM) system and communicated to the teams via tablet device.
24. Schedules of work cover weekly and two-weekly cycles and contain the linear length of the street to be swept as well as the estimated duration. There is also a time allowance to account for travel between locations, vehicle and equipment maintenance and administration.
25. Tablet devices are used by LETs onsite to record the GPS location and take photographs to evidence when work is completed, however, use of the tablet device has been temporarily suspended due to Covid-19 and the identified risk of shared use. Area supervisors are updating the ELM system when local environmental teams return from their duties. A random sample of 6 records on the ELM system highlighted that 3 records had not been updated. It is anticipated that the use of tablet devices will be reinstated in the near future.

Action Plan 4

26. Work completed by the town centre street sweepers is not recorded on any system, however is verified by supervisors on a spot-check basis. Additional assurance can be derived from the lack of complaints received and positive findings in the annual Local Environmental Audit and Management System (LEAMS) report published by Keep Scotland Beautiful which is the national performance indicator.
27. Reports generated by ELM are useful and additional information can be extracted from the system to review specific detail. Reports have not been generated recently due to the absence of updates by LETs but are expected to resume upon reinstatement of use of tablet devices.
28. Internal recharges are processed annually to recover costs associated with sweeping of the Council's income generating car parks, however there is no recharge for car parks that do not charge users. In addition the Council charges external organisations for service in respect of street cleaning, however, in the year ending 31 March 2021, there was no income recorded on the Council's general ledger from external organisations.

Action Plan 5

29. The quality standard for street cleanliness is clearly communicated to street sweepers, it is internally assessed monthly by the Council's warden service and annually assessed by KSB. The Key Performance Indicator for litter at assessed sites in the years 2013/14 to 2019/20 results were between 92.2% and 96.1%, however this has fallen to 84.3% in 2020/21 due to Covid-19. The national average for the year is 90.1%. Local Environmental Audit and Management System (LEAMS) publish an annual report, this also forms part of the Council's submission to the Local

Government Benchmarking Framework. Results are also published internally on the Council's Pyramid performance management system.

Partnership arrangements are in place and appropriately managed

30. The Council works in partnership with Oban Business Improvement District (BID) who have agreed to fund an additional seasonal street sweeper employed by the Council. The street sweeper has been appointed through the Council's recruitment process, however no formal agreement is in place and no income from BID has been received.

Action Plan 1

Appendix 1 – Action Plan

	No.	Finding	Risk	Agreed Action	Responsibility / Due Date
High	1	<p>Partnership Agreement</p> <p>Oban Business Improvement District (BID) has agreed to fund an additional seasonal street sweeper employed by the Council. The street sweeper has been appointed through the Council's recruitment process, however no formal agreement is in place and income from BID has not been received.</p>	The Council may encounter difficulties in recovering the funding for the additional street sweeper.	Formalise arrangements with Oban BID for the funding of the seasonal street sweeper	Tom Murphy April 2022
Medium	2	<p>Safety instructions/tool box talks manual</p> <p>The safety instructions/tool box talks manual for refuse collection and street cleansing was due to be reviewed May 2021, however there is no evidence of the review having been undertaken.</p>	Guidance may not be current.	Review of safety instructions/tool box talks and update if required	Tom Murphy April 2022
Medium	3	<p>Licence Checks</p> <p>Eleven drivers were reviewed on Tranman for licence checks, eight were appropriately recorded, two exceeded the six month review requirement and one driver could not be located on the system.</p>	Drivers may not be appropriately licenced to drive Council vehicles.	Review on Tranman of driver licenses	Tom Murphy End of December 2021
Low	4	<p>Updating of ELM</p> <p>Local Environment Teams (LETs) are not currently using tablet devices to indicate that work allocated has been completed. Supervisors are updating the system in some areas but this is not consistent across the Council.</p>	Inconsistency of practice.	Reintroduce use of handheld devices subject to ongoing Covid restrictions etc. to allow efficient updates to ELM	Tom Murphy July 2022

	No.	Finding	Risk	Agreed Action	Responsibility / Due Date
VFM	5	<p>Recharging for sweeping of Council car parks</p> <p>The Council's income generating car parks are recharged for street sweeping according to information retained in work schedules rather than actual work taking place, additionally the Council's non-income generating car parks are not recharged for sweeping.</p>	Recharges may not be an accurate reflection of work undertaken.	Ensure that timely and accurate recharges are carried out and a system in place to ensure that this is regularly taking place.	Tom Murphy End of March 2022

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.
VFM	An observation which does not highlight an issue relating to internal controls but represents a possible opportunity for the council to achieve better value for money (VFM).

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.