



INTERNAL AUDIT REPORT – OFF STREET PARKING

<u>Auditor:</u>	<u>Internal Auditor</u>
<u>Distribution:</u>	Audit Committee Chief Executive Director of Corporate Services Director of Environmental Services Head of Infrastructure
	<u>September 2018</u>

All matters contained in this report came to our attention while conducting normal internal audit work. Whilst we are able to provide an overall level of assurance based on our audit work, unlike a special investigation, this work will not necessarily reveal every issue that may exist in the Council's internal control system.

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Executive Summary

This internal audit was completed in accordance with the approved annual Internal Audit Plan for 2018/19. This report summarises the findings arising from a review of the Off Street Parking which was allocated 8 days.

Through the audit I found the following examples of good practice:

- An established process is in place for the setting of Car Parking fees and charges and are approved by Full Council and are documented on the Council Website.
- Car parking charges are accurately displayed at pay and display car parks and these are updated in a timely following any amendment to car park tariffs.
- Car parking enforcement is administered within statutory boundaries as set out in relevant legislation and the Car Parking Enforcement Policy is adequately publicised on the Council Website.
- Council receives regular reports on enforcement activities and income and a process is in place to facilitate reconciliation or checking of income collected by NSL to monies received for car park enforcement by Council.
- There are appropriate contracts/agreements in place between Council, Dfl and any related car parking service providers which make clear the roles and responsibilities in relation to car park income management and regular reports on revenue collection are provided to Council.
- A process is in place to facilitate reconciliation or checking of cash collected from car parks by NSL to monies received for car parking by Council
- The council has in place a planned maintenance schedule for car-parks covering signage and lighting and an appropriate schedule of cleaning of car-park is in place.

One area (Priority 2) where controls could be enhanced was noted during this review.

The following table summarises the total number of recommendations from our audit (all recommendations being accepted by management):

Risk	Number of recommendations & Priority rating		
	1	2	3
Car-Park upkeep is not appropriately planned and managed leading to safety hazards and/or damage to Council's reputation	-	1	-
Total recommendations made	-	1	-

Based on our audit testing we are able to provide the following overall level of assurance:

Satisfactory

Overall there is a satisfactory system of governance, risk management and control. While there may be some residual risk identified this should not significantly impact on the achievement of system objectives.

Points for the attention of Management

In addition to the recommendations noted above we have identified a number of system enhancements during the course of the audit which do not form part of our formal findings, but may help enhance the existing controls. These are detailed at Appendix III.

1. Objective

The overall objective of this audit is to consider the main risks in relation to Off Street Parking and to review the key systems and controls in place to address these.

2. Background

As part of the process of Local Government Reform certain functions in relation to off-street car parking has been transferred to Causeway Coast and Glens Council. The Council is now responsible for all aspects relating to management, operation and maintenance of these car parks.

However, under an agreement with all Councils, the Department of Infrastructure will continue to operate and enforce car parks on behalf of local Councils until 31 October 2019. Note that Councils are now responsible for the following management aspects of these car parks e.g. setting operating hours, car park tariffs, charging days, cleaning, signage and lighting etc.

The Department of Infrastructure carries out enforcement on behalf of Councils in off-street car parks. On-the-ground enforcement is provided by the Department's contractor, currently NSL Ltd (NSL), who employs the traffic attendants.

Under sub-contract NSL provides parking management services across Northern Ireland. Under the contract NSL provide the following core services:

- Uniformed Traffic Attendants (TAs) to enforce on and off-street parking restrictions
- Uniformed Car Park Attendants to staff pay on foot and kiosk car parks
- Clamping, removal and vehicle pound
- Parking control equipment maintenance
- Cash collection, counting, banking and reconciliations
- Cashless payment system (Parkmobile)

The Parkmobile Cashless Payment System is now available in all pay and display off-street car parks and on-street charged car parking locations in Northern Ireland. This system provides an alternative method of paying for your parking other than using coins at the pay and display machines.

The Council has a total of a total of 82 car parks on the list within Causeway Coast & Glens Borough Council area.

3. Risks

The risks identified relating to Off Street Parking and agreed with management are as follows:

1. Tariffs
2. Enforcement
3. Income collection and recording
4. Maintenance and cleaning.

4. Audit Approach

The audit fieldwork comprised:

- Documenting the systems via discussions with key staff
- Consideration of the key risks within each audit area
- Examining relevant documentation
- Carrying out a preliminary evaluation of the arrangements and controls in operation generally within the Council
- Testing the key arrangements and controls
- Testing the completeness and accuracy of records.

The table below shows the staff consulted with and we would like to thank them for their assistance and co-operation.

Job title
Head of Infrastructure
Car Parking Officer

5. Findings and Recommendations

This section of the report sets out our findings in relation to control issues identified and recommendations. A summary of all the key controls that we considered is included in Appendix II to this report.

5.1 Risk 1 – Tariffs

Audit has no findings or recommendations to make in relation to this risk area.

5.2 Risk 2 – Enforcement

Audit has no findings or recommendations to make in relation to this risk area.

5.3 Risk 3 – Income Collection and Recording

Audit has no findings or recommendations to make in relation to this risk area.

5.4 Risk 4 – Maintenance and Cleaning

Inspection Reports
a) Observation- It was noted that the car parking officer currently only receives inspection reports from the Moyle legacy area car parks and none from any other areas throughout the Borough.
b) Implication- Inspection, maintenance and repair may not be implemented efficiently so that adequate safety is maintained in an economic way.
c) Priority Rating- 2
d) Recommendation – Management should ensure that the car parking officer receives inspection reports from all Council areas.
e) Management Response- Infrastructure has now discussed and agreed a maintenance & inspection regime with frequencies and that these subsequent reports are presented to the department.
Responsible Officer & Implementation Date- John Richardson, Head of Infrastructure.

Appendix I: Definition of Assurance Ratings and Hierarchy of Findings

Satisfactory Assurance

Evaluation opinion: Overall there is a satisfactory system of governance, risk management and control. While there may be some residual risk identified this should not significantly impact on the achievement of system objectives.

Limited Assurance

Evaluation opinion: There are significant weaknesses within the governance, risk management and control framework which, if not addressed, could lead to the system objectives not being achieved.

Unacceptable Assurance

Evaluation opinion: The system of governance, risk management and control has failed or there is a real and substantial risk that the system will fail to meet its objectives.

Hierarchy of Findings

This audit report records only the main findings. As a guide to management and to reflect current thinking on risk management we have categorised our recommendations according to the perceived level of risk. The categories are as follows:

Priority 1: Failure to implement the recommendation is likely to result in a major failure of a key organisational objective, significant damage to the reputation of the organisation or the misuse of public funds.

Priority 2: Failure to implement the recommendation could result in the failure of an important organisational objective or could have some impact on a key organisational objective.

Priority 3: Failure to implement the recommendation could lead to an increased risk exposure.

Appendix II: Summary of Key Controls Reviewed

Risk	Control issues
<p>Tariffs for car parking charges may not be properly managed leading to non-compliance with legislation or a lack of transparency which could damage Council's reputation</p>	<ul style="list-style-type: none"> • An established process is in place for the setting of Car Parking fees and charges (and charging days) as part of the Council's annual Fees and Charges review and budget setting process. • Car Parking charges are approved by Full Council on an annual basis and are documented on the Council Website and through public notices where required. • Car parking charges are accurately displayed at pay and display car parks. Car Park Fees and Charges details are also published on the Council's website A process is in place to ensure that displays of tariffs, at car parks and on the Council website, are updated in a timely following any amendment to car park tariffs
<p>Responsibilities for car-park enforcement are not clearly understood leading to damage to Council's reputation</p>	<ul style="list-style-type: none"> • Car Parking enforcement is administered within statutory boundaries as set out in relevant legislation • The roles and responsibility in relation to enforcement are clearly documented in a contract/agreement or other document • The Car Parking Enforcement Policy is adequately publicised on the Council Website. • Council receives regular reports on enforcement activities and income • A process is in place to facilitate reconciliation or checking of income collected by NSL to monies received for car park enforcement by Council
<p>There may be inadequate controls in place regarding the recording of car park income leading to financial loss for Council</p>	<ul style="list-style-type: none"> • There are appropriate contracts/agreements in place between Council, Dfl and any related car parking service providers which make clear the roles and responsibilities in relation to car park income management • Contractors provide regular reports detailing parking charges and enforcement revenue collection on behalf of Council. • Income collection schedules are successfully reconciled to audit tickets and Bank Appendix 2 Page 2 of 4 Statements by Council Officers • A process is in place to facilitate reconciliation or checking of cash collected from car parks by NSL to monies received for car parking by Council • The process identifies and investigates any significant over or under banked incomes from car parking machines.

Risk	Control issues
Car-Park upkeep is not appropriately planned and managed leading to safety hazards and/or damage to Council's reputation	<ul style="list-style-type: none">• The council has in place policies and procedures which capture all aspects of the management of its pay and display car parks, which fully incorporate all statutory regulations and make clear the roles and responsibilities in relation to car-park upkeep and maintenance• The council has in place a planned maintenance schedule for car-parks covering signage and lighting• An appropriate schedule of cleaning of car-park is in place Cleaning and maintenance work is reviewed on a regular basis

Appendix III: Points for the Attention of Management

List of Car Parks
<p>It was noted that there is a total of 82 car parks within the remit of Causeway Coast and Glens Council. Out of these 82 car parks, 36 have been transferred from DFI/DRD (currently under the off street order), 14 facility car parks which are the responsibility of the specific facility manager and 32 legacy car parks which are not under the off street car parking order. All 82 car parks are maintained and inspected by Council.</p> <p>The role of Councils car parking officer is to oversee the management of all Council owned "off Street" car parking within the Borough.</p>
<p>Management Response-</p> <p>To legislatively allow enforcement, Council should consider bringing some other busy car parks under the off street order. This will then allow TA's to enforce inappropriate parking via PCN's.</p>
Use of Car Parks for Events
<p>It was noted that there appears to be a lack of internal communication regarding what events are occurring in some car parks as the car parking officer has a considerable number of complaints to address after some events have occurred.</p>
<p>Management Response-</p> <p>Causeway Coast and Glens managed events are taken to Leisure & Development Committee for approval usually in December of each year. The report details the location of our events, some of which may include the usage of Council managed carparks. Approval for this is taken to full Council for ratification. Any other third-party event that take place on Council property must seek approval from the Land and Property Committee. The Tourism and Recreation team are not responsible for any aspect of these events unless there is a benefit to the Council through some form of cooperation.</p> <p>If for some reason an event needs to takes place in Council carparks outside of the above premiers either the Events Manager or Head of Service will contact the Head of Service for Infrastructure advising of this requirement and seeking support, eg Recreation Grounds Portrush could not be used for the annual Fireworks Display. Agreement was sought from the Head of Service from Infrastructure to move to Landsdowne carpark.</p>