



APPENDIX 2a

## South Lakeland District Council

Assurance Review of Household Waste Collection

2019/20

July 2019

Internal Audit

FINAL

# Executive Summary

**OVERALL ASSURANCE ASSESSMENT**



**OVERALL CONCLUSION**

Statutory requirements under the Environmental Protection Act 1990 are met via in-house and contracted out services; for which valid contracts are in place.

- The Council has approved a new Waste and Recycling Collection Policy from 1<sup>st</sup> April 2019 with full implementation expected over the coming months.
- The Council is proactive in its approach to managing its domestic bins and recycling service.
- Training requirements are carefully considered, with a proper focus on health and safety issues, but plans must be fully developed and implemented.
- The high number of recorded instances of operatives speeding while driving Council vehicles should be addressed.

**SCOPE**

The review considered the arrangements in place for managing the Council’s domestic bins and recycling service including contractual arrangements, service standards, budget monitoring and performance.

**ACTION POINTS**

Urgent	Important	Routine	Operational
0	2	1	0

## Management Action Plan - Priority 1, 2 and 3 Recommendations

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
2	Reputational	A spreadsheet maintained by the Street Scene Driver and Safety Assessor summarises the results of the various health and safety checks that are periodically performed on the drivers and vehicles. A further spreadsheet tracks driver training modules undertaken. These spreadsheets form part of an overall health and safety plan being developed that will determine the frequency and extent of such measures, thereby helping to ensure that all drivers, vehicles and routes are periodically subject to sufficient, consistent health and safety risk assessments.	The health and safety plan that is currently in progress be completed and implemented to help ensure that all operatives are properly trained and receive suitable periodic refresher training and that all routes are subject to sensible risk analyses.	2	<p><i>The Waste Policy, approved in early 2019, proposes a suspension of garden waste collections. This will help Street Scene staff complete outstanding training via increased staff availability.</i></p> <p><i>Refresher training will be agreed in conjunction with the Councils Learning and Development Specialist.</i></p> <p><i>Implementation Plan is being worked by Tribe Consultants to set out clear action plan of what is to be undertaken, by who and by when to allow the Council to monitor progress against these actions.</i></p>	<p><i>Mid December 2109- end of February 2020</i></p> <p><i>October 2019</i></p> <p><i>July 2019</i></p>	<p><i>Operational Lead for Delivery and Commercial Services/ Principal Street scene Officer</i></p> <p><i>Operational Lead for Delivery and Commercial Services</i></p>

### PRIORITY GRADINGS

**1 URGENT** Fundamental control issue on which action should be taken immediately.

**2 IMPORTANT** Control issue on which action should be taken at the earliest opportunity.

**3 ROUTINE** Control issue on which action should be taken.

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
3	Reputational	Fleet tracking data in the Street Scene Service Quality and Performance document for May 2019 noted that there were 828 instances of speeding (six to 15 miles per hour above the speed limit) and 17 instances of excessive speeding (more than 16 miles per hour above the speed limit). This was an increase over the corresponding figures for April 2019 of 686 and 13 respectively.	Sensible and consistent measures be implemented with a view to significantly reducing instances of operatives speeding while driving Council vehicles.	2	<p><i>Reports from the Street Scene Vehicle Tracking system have been analysed and have seen an immediate reduction in speeding violations between May and June. The figure reduced from 15 to 0.</i></p> <p><i>Weekly/ Monthly statements to be provided to Sion Thomas for consideration of appropriate action and HR investigation if needed.</i></p> <p><i>Further driver training where multiple driving offences take place by the same driver in one week or month.</i></p>	July 2019	Operational Lead for Delivery and Commercial Services/ Principal Street scene Officer
1	Directed	A Waste and Recycling Project Board was set up in 2014. There have been 12 meetings of the Board over the previous two years. No current terms of reference were evidenced.	Current terms of reference for the Waste and Recycling Project Board be formulated and subject to periodic review and approval.	3	<p><i>Review at next Project Board meet with input from Simon and Sion.</i></p>	September 2019	Operational Lead for Delivery and Commercial Services/ Principal Street scene Officer

PRIORITY GRADINGS

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## Operational Effectiveness Matters

Ref	Risk Area	Item	Management Comments
No Operational Effectiveness Matters were identified.			

ADVISORY NOTE

Operational Effectiveness Matters need to be considered as part of management review of procedures.

## Detailed Findings

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### Introduction

1. This review was carried out in June 2019 as part of the planned internal audit work for 2019/20. Based on the work carried out an overall assessment of the overall adequacy of the arrangements to mitigate the key control risk areas is provided in the Executive Summary.

### Background

2. The Council has recently made changes to the way it collects and recycles household waste.

### Materiality

3. The Council's budget for 2019/20 includes a net cost of £3.9M relating to household waste collection. This is net of budgeted recycling credits of £1.3M and budgeted other income of £0.3M. There are over 53,000 households for which the Council is responsible as a waste collection authority. During 2018/19, over 4.1 million collections were made.

### Key Findings & Action Points

4. The key control and operational practice findings that need to be addressed in order to strengthen the control environment are set out in the Management and Operational Effectiveness Action Plans. Recommendations for improvements should be assessed for their full impact before they are implemented.

### Scope and Limitations of the Review

5. The review considered the arrangements in place for managing the Council's domestic bins and recycling service including contractual arrangements, service standards, budget monitoring and performance.
6. The definition of the type of review, the limitations and the responsibilities of management in regard to this review are set out in the Annual Plan.

### Disclaimer

7. The matters raised in this report are only those that came to the attention of the auditor during the course of the internal audit review and are not necessarily a comprehensive statement of all the weaknesses that exist or all the improvements that might be made. This report has been prepared solely for management's use and must not be recited or referred to in whole or in part to third parties without our prior written consent. No responsibility to any third party is accepted as the report has not been prepared, and is not intended, for any other purpose. TIAA neither owes nor accepts any duty of care to any other party who may receive this report and specifically disclaims any liability for loss, damage or expense of whatsoever nature, which is caused by their reliance on our report.

ADVISORY NOTE

Operational Effectiveness Matters need to be considered as part of management review of procedures.

## Risk Area Assurance Assessments

8. The definitions of the assurance assessments are:

<b>Substantial Assurance</b>	There is a robust system of internal controls operating effectively to ensure that risks are managed and process objectives achieved.
<b>Reasonable Assurance</b>	The system of internal controls is generally adequate and operating effectively but some improvements are required to ensure that risks are managed and process objectives achieved.
<b>Limited Assurance</b>	The system of internal controls is generally inadequate or not operating effectively and significant improvements are required to ensure that risks are managed and process objectives achieved.
<b>No Assurance</b>	There is a fundamental breakdown or absence of core internal controls requiring immediate action.

## Audit Contacts

9. For any queries or to discuss the content of this report, please contact either of the following:

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## Audit Report Distribution

10. We would like to thank staff for their co-operation and assistance during the course of our work.

<b>For Action:</b>	Sion Thomas, Property Services Contract Manager
<b>For Information:</b>	Helen Smith, Finance Lead Specialist and Section 151 Officer

ADVISORY NOTE

Operational Effectiveness Matters need to be considered as part of management review of procedures.

## Release of Report

11. The table below sets out the history of this report.

<b>Date draft report issued:</b>	21 <sup>st</sup> June 2019
<b>Date management responses received:</b>	10 <sup>th</sup> July 2019
<b>Date final report issued:</b>	15 <sup>th</sup> July 2019

### ADVISORY NOTE

Operational Effectiveness Matters need to be considered as part of management review of procedures.