Item: 6.3

Monitoring and Audit Committee: 29 March 2018.


Report by Chief Internal Auditor.

1. Purpose of Report

To present the Internal Audit report relating to the procedures and controls in place for repairs and maintenance of Council owned properties.

2. Recommendations

The Committee is invited to note:

2.1.

That Internal Audit has undertaken an audit to review the procedures and controls in place for repairs and maintenance of Council owned properties.

2.2.

The findings contained in the internal audit report, attached as Appendix 1 to this report, relating to the review of the procedures and controls in place for repairs and maintenance of Council owned properties.

2.3.

That an action plan, to address the improvements identified, and included within the internal audit report, has been agreed with responsible officers with the actions due to be implemented by March 2019.

It is recommended:

2.4.

That the Committee review the audit findings to obtain assurance that action has been taken or agreed where necessary.

3. Policy Aspects

The proposals in this report support the undernoted Council values:

- Working to Provide Better Services – to improve the planning and delivery of services.
4. Background

4.1.
The Council has in place a Property Asset Management Plan, the objective of which is to manage the Council’s property assets effectively and efficiently in supporting delivery of Council objectives.

4.2.
A five-year projection of property repairs and maintenance works was reported to the Asset Management Sub-committee on 15 February 2017. This plan assists with reducing emergency works and allows for flexibility to vary the timing of individual projects.

4.3.
The audit reviewed the procedures and controls in place for repairs and maintenance of Council owned operational and non-operational properties.

5. Audit Findings

5.1.
The audit findings provide reasonable assurance that procedures relating to repairs and maintenance of Council owned properties are adequately controlled and managed.

5.2.
There were areas identified in the audit where it was considered that procedures could be improved or the internal controls strengthened. The internal audit report, attached as Appendix 1 to this report, includes recommendations to address these improvements. The recommendations have been agreed with the responsible officers and are due to be implemented by March 2019.

5.3.
The Committee is invited to review the audit findings to obtain assurance that action has been taken or agreed where necessary.

6. Financial Implications

6.1.
The audit was undertaken against a background of budget overspends on the General Fund property repairs and maintenance programmes over the 2015 to 2016 and 2016 to 2017 financial years.
6.2. Prior to 2015 apportioned costs relating to the repairs and maintenance programmes were apportioned to services at year end. The services however complained that these year-end apportionments were uncontrollable and unexpected and often resulted in budget overspends being reported. In order to improve the level of control being exercised by making budget holders responsible for the delivery of the programme of works as a whole inclusive of in-house professional fees, the central support services for managing the programme of works are now budgeted for, and charged directly to the Revenue Maintenance Programme, rather than the individual Services.

6.3. The report recommendations include that methods of control against overspend attributable to the apportionments process should continue to be considered to control against its reoccurrence.

7. Legal Aspects
Complying with recommendations made by the internal auditors helps the Council meet its statutory obligations to secure best value.

8. Contact Officer
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9. Appendix