

**Internal Audit reports identifying ‘significant’ risk or ‘of concern’:
Highways Asset Management**

Audit Committee

Date: 4th February 2014

Author:	Head of Internal Audit
Wards:	None
Locality Affected:	None
Parishes Affected:	None

1. Purpose and Reasons

- 1.1 Members requested that at least one individual audit report be presented to each meeting of the Committee. At the last meeting Members requested that the report on *Highways Asset Management* be brought to the January meeting of the Committee.
- 1.2 The Council's Audit Committee has a strategic role to ensure that the Council's assurance framework is operating effectively. To this end it should seek assurance that key areas that contribute to this framework are operating effectively.

2. Recommendations

- 2.1 It is recommended that the contents of the report be noted.

3. Detail

Background

- 3.1 As a unitary authority, the Council is also the Highway Authority for the highway network that falls within the boundaries of the borough. However, this excludes roads that form part of the country's strategic network; these are the responsibility of the Highways Agency. Within the boundaries of the Council the strategic routes are the M4 and the A419.
- 3.2 The audit focussed on highway pavement maintenance management (this includes roads, cycle ways, pavements but not traffic signals, drainage or lighting), bridges asset management and the business relationship between Highways and Transport and StreetSmart.
- 3.3 It should be noted that the Internal Audit report was finalised prior to the decision to reintegrate some of the services provided by SCS back into the Council.

Key Recommendations

- 3.4 As noted above a number of the recommendations made have been impacted by the reintegration of the SCS StreetSmart Services Highway Maintenance team in to the Council's Highway and Transport team.

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3.5 The key recommendations made in the report are as follows:

- Appropriate governance arrangements between Highways and Transport and StreetSmart should be agreed. These should include the coverage and split of types of work expected from SCS; how their performance should be measured; management information required; policies to be followed etc.
- Guidance should be provided on the training and education needed by Highways Inspectors.
- Non-Highways structure assets identified as not being appropriately managed are added to the Highways Asset register to ensure that they are regularly surveyed.

3.6 The Internal Audit report (issued on 21st October 2013) is attached as Appendix 1 to this report.

3.7 The Head of Highways and Transport has provided an update (see Appendix 2) on progress in implementing the recommendations from the report that also reflects the changes due to the reintegration of SCS services.

3.8 The Head of Highways and Transport will also be attending Audit Committee to answer any questions that Members may have.

4. Alternative Options

4.1 Not Applicable

5. Implications, Diversity Impact Assessment and Risk Management

Financial and Procurement Implications

5.1 There are no direct financial implications arising from this report however the detailed audit report addresses the suitability of internal controls within the systems examined

Legal and Human Rights Implications

5.2 Internal Audit is a statutory requirement of the Accounts and Audit Regulations 2011. The Internal Audit service also provides assurance to the Director of Finance regarding the requirements of Section 151 of the Local Government Act 1972.

All Other Implications (including Staff, Sustainability, Health, Rural, Crime and Disorder)

5.3 None

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Links to One Swindon, Strategic Objectives, Plans and Policies

- 5.4 Effective systems of internal control within the Council will help to ensure that the Council’s corporate objectives and those set out in One Swindon are achieved.

Diversity Impact Assessment

- 5.5 Not Applicable

Risk Management

- 5.6 Not applicable

6. Consultees

- 6.1 The Board Director: Resources (Section 151 Officer) and Director of Law and Democratic Services (Monitoring Officer) are consulted in respect of all reports.

7. Background Papers

- 7.1 None

8. Appendices

- 8.1 Appendix 1 – Internal Audit report: *Highways Asset Management* (Oct 2013)
8.2 Appendix 2 – Update provided by the Head of Highways and Transport (Jan 2014)