

# INTERNAL AUDIT FOLLOW UP FORM

AUDIT	Highways Asset Management	PREPARED BY	Steve Hayward	DATE	14 <sup>th</sup> October 2014
REPORT DATED	October 2013	REVIEWED BY	Lorraine Sarson	PAGE	23rd October 2014

Ref.	Initial recommendation and management responses from the original audit report (October 2013) plus updated management responses	Current finding(s) and any further recommendation(s)	Responsible officer, initial timescale October 2013 and revised timescales
<b>1</b>	<b>Risk: Business relationship management not in place</b>		
1.1	<p>Highways and Transport and StreetSmart should agree an appropriate governance arrangement. This should then be encapsulated in a Service Level Agreement. The arrangements should include:</p> <ol style="list-style-type: none"> <li>1. The coverage and split of types of work expected from SCS.</li> <li>2. How SCS's performance should be measured, as the current key performance indicators don't reflect fully highway maintenance requirements e.g. nothing on undertaking condition surveys.</li> <li>3. Management information required e.g. in what circumstances SCS should report, via StreetSmart, issues to Transport and Highways that may affect the long term condition of a road or a where a larger piece of maintenance work is required.</li> <li>4. Meetings between Highways and Transport and StreetSmart, meeting frequencies, employees involved and their roles and responsibilities.</li> <li>5. The policies expected to be followed e.g. balance between safety inspections and routine maintenance and how they should be reported.</li> <li>6. The evidence StreetSmart would be expected to see as verification that SCS were carrying out the tasks.</li> </ol> <p><b>Priority: high</b></p>	<p><b>Implementation of recommendation in progress.</b></p> <p>Following a Council decision, highways services delivered by Swindon Commercial Services reintegrated to the Council from 1<sup>st</sup> November 2013. This service now reports to the Head of Highways and Transport and is reflected in a new Highways and Transport organisation structure. Whilst a service level agreement with Streetsmart is no longer required, the principles of control provided in the previous recommendations are still relevant and need to be addressed in the context of the new service delivery arrangements.</p> <p>Operational Key Performance Indicators have been set for some of the key risk areas in the interim e.g. highways and street lighting. However, following delivery of a business plan, comprehensive performance indicators and performance management systems needs to be put in place.</p> <p>Work is being undertaken to address the recommendations, as can be seen by the Head of Services response.</p> <p><b>New Recommendation</b></p> <p>A manual has been developed for the Highway Inspectors giving guidance on what is expected of them. However, the manual needs evidencing of authorisation by senior management (Service Manager/ Head of Highways and Transport) and should have formal version control e.g. version, date, change history etc.</p> <p><b>Priority: low</b></p>	<p>Head of Highways and Transport in conjunction with the Service Manager Highway Infrastructure Management</p> <p><b>Original date</b> March 2014</p> <p><b>Revised date No 1</b> September 2014</p> <p><b>Revised date No 2</b> October 2015</p>

## Management responses to 1.1:

### Head of Highways and Transport response:

**Auditee comment (October 2013):** Recommendations to be included in Swindon Commercial Services (SCS) Reintegration work-streams.

**Auditee comment (February 2014):** Issue has been impacted by the reintegration of SCS Streetsmart Services Highway Maintenance team into Highway and Transport as part of the SCS reintegration process.

Following the reintegration of SCS into SBC, Highways and Transport are developing a new structure. This will see the highways work previously undertaken by SCS, being directly managed within Highways and Transport. This will provide the opportunity to develop stronger performance and financial monitoring and reporting through appropriate SMART service delivery objectives, supported by key responsibilities being identified and managed. Proposed Revised timeline for this recommendation to be actioned by September 2014.

**Auditee comment (October 2014):** We are taking forward an approach that builds upon the requirements and work-streams set up for the Swindon Commercial Services re-integration programme. This builds upon, defines and sets a number of additional objectives associated with creating and reinforcing the culture to deliver excellently. Also, taking forward the recent audit recommendations as part of this work, we are developing operational improvements. There are six key work areas being progressed in 2014/15 as part of the SCS re-integration project, consisting of :

- ICT Improvements; TASK system exit strategy; Culture; Stores / Waterside Improvements; Performance and Customer Journey; Communications

The key areas of change associated with delivery are:

- Being more performance driven, lean and proactive
- Challenging working practices across whole processes – an example of this is developing an integrated approach to design (by our framework consultants) and construction teams
- Identifying any residual silo working practices and eliminating these
- Actively seeking out continuous improvement and feeding back into service area
- Reinforcing and developing a culture where team take ownership of issues and develop a proactive approach to driving forward new ways of working

This is articulated as 5 key operational work areas:

- Improve behaviour and culture.
- Improve health and safety culture.
- Understand Backlog of Repairs & reduce by approx. 2000 no jobs
- Improve efficiency and effectiveness of service.
- Spend additional funding and target repairs on potholing and patching.

Management information is being aligned to supporting delivery of these set outcomes. These activities form part of the SCS re-integration programme plan. Members have sight of this through the Streetsmart and Highways Overview and Scrutiny Committee.

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1	<b>Risk: Business relationship management not in place</b>		
1.2	<p>All the experienced Highways Inspectors that were transferred to SCS have left and been replaced by less experienced personnel. Guidance should be provided on the training and education needed by Highways Inspectors.</p> <p>Evaluate Inspectors taking the City and Guilds 6033 qualifications, which covers Highways Inspection and Monitoring.</p> <p><b>Priority: High</b></p> <p><b>Auditee comment (October 2013)</b> Recommendations to be included in SCS Re-integration work-streams.</p> <p><b>Auditee comment (February 2014)</b> Issue has been impacted by the reintegration of SCS Streetsmart Services Highway Maintenance team into Highway and Transport as part of the SCS reintegration process.</p> <p>Highway Maintenance Operations Manager is developing a training plan for Highway Inspectors that provides for the required on-going training of inspectors. The plan will be in place by the end of April 2014. Training will start following the launch of the plan.</p>	<p><b>This recommendation has been implemented.</b> A training plan/matrix has been developed for the Highways Inspectors. Training is being delivered and recorded accordingly.</p> <p><b>New Recommendation</b> Evaluate risk profiling the training plan/matrix i.e.:  <ul style="list-style-type: none"> <li>• training satisfactorily completed and future training dates planned – green,</li> <li>• training falling due for refresh – amber,</li> <li>• in the event that relevant training has not been completed or has expired the member of staff should not undertake their job – red.</li> </ul> </p>	<p>Service Manager, Highway Infrastructure Management</p> <p><b>Original date</b> March 2014</p> <p><b>Revised date No 1</b> April 2014</p> <p><b>Revised date No 2</b> December 2014</p>
<b>Management response:</b>			
Implemented			

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<b>2</b>	<b>Risk: Asset Management</b>		
2.1	<p>An issue was identified by Corporate Health and Safety, where about 150 bridges/structures had not been properly maintained and inspected. These structures were not the responsibility of Highways, rather other service delivery areas within the Council e.g. StreetSmart were responsible for a bridge in the Town Gardens. When this bridge was inspected, it was immediately closed to the public due to it being 'unsafe'.</p> <p>All non-Highways structure assets which were identified as not being appropriately managed should be added to the Highways asset register. This is to ensure they are regularly surveyed. The results of the surveys should be forwarded to the appropriate service area to take any necessary decisions over future action required, based on the results/recommendations arising from the survey.</p> <p><b>Priority: High</b></p> <p><b>Auditee's comment (February 2014)</b></p> <p>Awaiting budgetary provision via the capital bid process to support the integration of non-highway assets into the Highways asset register. A briefing session was prepared for Corporate Board on this issue and included an outline strategy which was developed to address this matter. This will involve Highways and Transport managing the structures going forward. Preliminary inspections of known structures undertaken by H2CMHill as part of investigation of issues with these structures.</p>	<p><b>Recommendations satisfactorily implemented.</b></p> <p>All known structures have been examined and condition scores obtained. A capital budget for 2014/15 of £230,000 has been included in the capital programme for work on the more critical bridges/ structures.</p> <p>A prioritised list of bridges/ structures has been drawn up by the Bridges/ Structures Engineer.</p> <p>There is a separate capital budget for 2014/15, of £100,000, for the bridge in the Town Gardens.</p> <p>These budgets do not sit with Highways and Transport but with Property. Any works will go through the Asset Management Committees once a scheme has been worked up by Highways and the service area that is responsible for the bridge/ structure.</p>	<p>Service Manager, Highway Infrastructure Management.</p> <p><b>Original date</b> December 2013</p> <p><b>Revised date</b> April 2014</p>
<b>Management response:</b>			
Implemented			

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<b>2</b>	<b>Risk: Asset Management</b>		
2.2	<p>All retaining structures, embankments, earthworks, cuttings and safety barriers that are owned by the Council, should be identified, recorded and maintained.</p> <p>A risk based plan should be developed to achieve this, including appointing an officer to manage it.</p> <p><b>Priority: Medium</b></p> <p><b>Auditees comment (October 2013)</b> Asset data and condition survey will be collected for all retaining walls once the recently agreed bridge inspector post is filled in circa March 2014.</p> <p>A Policy should be developed for management of structural earthworks.</p> <p>Safety barrier asset has been identified along with essential repairs undertaken. Responsibility for maintenance rests with StreetSmart.</p> <p>These recommendations to be included in SCS Re-integration work-streams.</p> <p><b>Auditee comment (February 2014)</b> Awaiting recruitment of a Bridge Inspector. The recruitment has been impacted by the on-going consultation on the new Highways and Transport structure.</p>	<p><b>This recommendation is outstanding.</b></p> <p>To date it has not been possible to successfully recruit a candidate to the position of bridge/ structures engineer.</p> <p>Another recruitment advertisement has been issued with a closing date of the 16<sup>th</sup> October 2014.</p>	<p><b>Service Manager Highway Infrastructure Management</b></p> <p><b>Original date</b> December 2013</p> <p><b>Revised date No 1</b> April 2014</p> <p><b>Revised date No 2</b> June 2015</p>
<b>Management response:</b>			
<b>Agreed</b>			

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<b>2</b>	<b>Risk: Asset Management</b>		
2.3	<p>Bridge condition surveys result in a score out of 100. A score in excess of 80 is considered satisfactory. A score below 80 often requires remedial work of some description. The current thinking in the Asset Management Team is that the average score for the entire bridge stock should be 85. This has not been formally agreed.</p> <p>A formal decision should be made on what the benchmark score should be for bridges before it is considered that remedial action is required / undertaken.</p> <p><b>Priority: Medium</b></p> <p><b>Auditee comments (February 2014)</b> Benchmark score to be agreed by start of 2014/15.</p>	<b>This recommendation is outstanding.</b>	<p>Service Manager Highway Infrastructure Management</p> <p><b>Original date</b> February 2014</p> <p><b>Revised date No 1</b> April 2014</p> <p><b>Revised date No 2</b> February 2015</p>
<b>Management response:</b>			
<p><b>Agreed</b> We will collect the evidence needed to show what different scores mean e.g. 85/100, 80/100, 75/100 etc. Then prepare a Members Briefing Note which will be discussed with and authorised by the Lead Member if they are in agreement.</p>			

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<b>2</b>	<b>Risk: Asset Management</b>		
2.4	<p>A decision should be made on what data fields should be populated in the Confirm database and which fields can be left unpopulated.</p> <p>A plan should be drawn up to ensure that agreed data fields can be populated.</p> <p>Consider the cost benefit of operating a separate Pavement Management system or switching to using the Confirm system, thus having everything on one database.</p> <p>SCS access to Confirm to update street lighting records should be resolved. When resolved it should be ensured that any data not processed is retrospectively keyed to Confirm.</p> <p>Consider adding traffic signals to the Confirm database.</p> <p><b>Priority: Medium</b></p> <p><b>Auditee comments (February 2014)</b> Developing the use of management information systems such as Confirm is an on-going process linked with wider corporate business development initiatives. The Business Support Unit and IT Support Team have been involved in developing an action plan for 2014/15.</p>	<p><b>This recommendation is outstanding.</b> The CONFIRM management information system has been included in the Council wide review of Information Technology assets. This review is looking at what the Council's integrated IT assets should be going forward i.e. what databases, systems the Council should use and which ones can be de-commissioned.</p> <p>Depending on the outcome of the review this will have implications for CONFIRM.</p>	<p>Service Manager Highway Infrastructure Management</p> <p><b>Original date</b> March 2014</p> <p><b>Revised date No 1</b> April 2014</p> <p><b>Revised date No 2</b> March 2015</p>
<b>Management response:</b>			
<p><b>Agreed</b> The IT assets review intends to produce its proposals by March 2015. Once the future of Confirm is known this issue will be revisited and appropriate action taken.</p>			

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<b>2</b>	<b>Risk: Asset Management</b>		
2.5	<p>Evaluate introducing a budget for strategic drainage maintenance.</p> <p><b>Priority: Medium</b></p> <p><b>Auditee comment (October 2013)</b> Recommendations to be included in SCS Re-integration work-streams.</p> <p><b>Auditee comments (February 2014)</b> Awaiting budgetary provision via the capital bid process to support drainage improvements linked to LFRMS Action Plans.</p>	<p><b>Recommendation satisfactorily implemented.</b> For 2014/15 a capital budget of £300,000 was agreed for drainage (Cabinet/ Council February 2014). Discussions are on-going with Finance over financing for future years. Currently for the next two financial years it is proposed the budget remains at £300,000.</p> <p>Furthermore, the Service Manager Highway Infrastructure sees a role for the Highways Inspectors in this and is planning to discuss this with the Highways Inspectors in the near future. The Service Manager Highway Infrastructure believes that gully maintenance is key and would help alleviate flooding issues in some areas.</p>	<p>Service Manager Highway Infrastructure Management</p> <p><b>Original date</b> March 2014</p> <p><b>Revised date</b> April 2014</p>
<b>Management response:</b>			
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<b>2</b>	<b>Risk: Asset Management</b>		
2.6	<p>Currently, the Council is unaware of all its drainage assets. As a Local Flood Authority, the Council is required to maintain a register of structures/features which have an effect on flood risk management. The Council is starting to identify its drainage assets. It is anticipated, with current resource, this could take 15 years or more. A decision should be made as to whether this is an acceptable timescale or whether an additional resource is allocated to reduce the time frame to carry out the exercise.</p> <p><b>Priority: Medium</b></p> <p><b>Auditees comment (October 2014)</b> The approach to drainage data asset collection will be addressed in the Local Flood Risk Management Strategy (LFRMS).</p> <p><b>Auditees comments (February 2014)</b> The collection of asset data will be prioritised based on issues identified in the LFRMS Action Plans.</p> <p>Action plan developed post adoption of LFRM strategy in July 2014</p>	<p><b>Recommendation satisfactorily implemented.</b> The Local Flood Risk Management Strategy and year one action plan was presented to, and agreed by, Cabinet in July 2014.</p> <p>In the summary to the Swindon Local Flood Risk Management Strategy (page 10) there is a list of objectives. Objective five “develop a prioritised action plan to manage flood risk by maintaining, and improving where appropriate, local flood risk management infrastructure and systems” under key actions to achieve the objective, includes the following “continue to improve our register of drainage and flood related assets”.</p> <p>This will be achieved through implementation of the action plans developed, starting with the year one action plan.</p>	<p>Service Manager Highway Infrastructure Management</p> <p><b>Original date</b> December 2013</p> <p><b>Revised date</b> July 2014</p>
<b>Management response:</b>			
Implemented			

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<b>2</b>	<b>Risk: Asset Management</b>		
2.8	<p>Currently, insurance data on claims made against the Council, citing the state of the highway, are not routinely provided to Highways and Transport.</p> <p>To do so may help with planning maintenance work. Details of insurance claims made against the Council citing the condition of the highway should be provided at least annually to Highways and Transport and StreetSmart and SCS.</p> <p><b>Priority: Medium</b></p> <p><b>Auditee comment (October 2013)</b> Recommendations to be included in SCS Re-integration work-streams.</p> <p><b>Auditee comments (February 2014)</b> Issue has been impacted by the reintegration of SCS Streetsmart Services into SBC. Revised process needs agreeing with reintegrated insurance team</p> <p>Insurance claims included in discussions for future meetings between Service Manager Highway Infrastructure Management and Service Manager Highway Construction Works.</p>	<p><b>Recommendation satisfactorily implemented.</b> An initial meeting was held in May 2014 between Highways and Transport and Insurance Manager to discuss claims made due to the condition of the roads and pavements.</p> <p>As part of an initiative to help all business areas understand their insurance costs, the Insurance Manager will provide quarterly reports to business areas. This will start in October 2014. For Highways this is split into pothole claims and slips/trips claims. It will show the number of claims; amount paid and value of reserve pending resolution of outstanding claims.</p>	<p>Service Manager Highway Infrastructure Management</p> <p><b>Original date</b> December 2013</p> <p><b>Revised date</b> April 2014</p>
<b>Management response:</b>			
Implemented			