



Internal Audit

FINAL






Dacorum Borough Council

Assurance Review of Waste Management

2023/24

July 2024

Executive Summary

<p>OVERALL ASSESSMENT</p> 	<p>KEY STRATEGIC FINDINGS</p> <ul style="list-style-type: none">  Reliance is placed in manual paper based systems i.e. driver vehicle checks, defect reports, accident reports, log books.  Driver licence check for all workers that require them was only undertaken after audit was scheduled. 								
<p>ASSURANCE OVER KEY STRATEGIC RISK / OBJECTIVE</p> <p>SRR Risk: Financial Resilience. Ensuring sufficient, coherent and modern service delivery.</p>	<p>GOOD PRACTICE IDENTIFIED</p> <ul style="list-style-type: none">  Testing supported that good progress had been made since the previous Internal Audit Review in respect of recommendations raised.  Management demonstrated that the recommendations had been implemented and that they resolved underlying weaknesses in practice. 								
<p>SCOPE</p> <p>This follow up review considered Driver’s hours/ Log Books or Tachographs; Load management; Care of equipment; Parking; Reversing (banksman); Cleaning of equipment; Driver checks; Defect reporting; Understanding Fleet Compliance and processes; Spot checks conducted by Ops management, on: Log book records, Daily checks, Gate checks, Street checks, Seat belts, Vehicle condition/cleanliness of cab.</p>	<p>ACTION POINTS</p> <table border="1" data-bbox="1151 1198 2114 1342"> <thead> <tr> <th>Urgent</th> <th>Important</th> <th>Routine</th> <th>Operational</th> </tr> </thead> <tbody> <tr> <td>0</td> <td>1</td> <td>1</td> <td>0</td> </tr> </tbody> </table>	Urgent	Important	Routine	Operational	0	1	1	0
Urgent	Important	Routine	Operational						
0	1	1	0						

Assurance - Key Findings and Management Action Plan (MAP)

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
1	Directed	<p>Driver licence check for all workers that require them was only undertaken after audit was scheduled. When asked when the previous licence check was done the Head of Environmental Services and Operation Manager confirmed that there had not been one on record.</p> <p>The check initially identified 800 discrepancies, which were eventually mitigated down to 32 drivers being uncompliant.</p>	<p>A process in place where worker's driving licences are checked periodically should be in place so that no vehicles are being driven illegally. The Head of Environmental Services made it clear that going forward licence checks on all drivers would be a monitored KPI going forward.</p>	2	<p><i>A process has been put in to place to continually check and update diving documents for staff that are required to dive and part of their role. This is an ongoing process due to document expiring.</i></p>	24/06/2024	Fleet Manager
2	Delivery	<p>Reliance is placed in manual paper based systems i.e. driver vehicle checks, defect reports, accident reports, log books. Where appropriate manual documentation should be replaced with electronic processes to improve the quality and completeness of the audit trail, and potential efficiencies of paperless working.</p>	<p>Manual paper based systems be reviewed and substituted for electronic systems where appropriate.</p>	3	<p><i>Reliance is still placed on manual paper based systems. Currently the procurement process has start for a digital system that will replace driver vehicle checks, defect reports, accident reports, log books</i></p>	01/06/2025	Fleet Manager

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.

Operational - Effectiveness Matter (OEM) Action Plan

Ref	Risk Area	Finding	Suggested Action	Management Comments
No Operational Effectiveness Matters have been identified				

ADVISORY NOTE

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

Findings



Directed Risk:


Failure to properly direct the service to ensure compliance with the requirements of the organisation.


Ref	Expected Key Risk Mitigation	Effectiveness of arrangements	Cross Reference to MAP	Cross Reference to OEM
GF	Governance Framework There is a documented process instruction which accords with the relevant regulatory guidance, Financial Instructions and Scheme of Delegation.	In place	-	-
RM	Risk Mitigation The documented process aligns with the mitigating arrangements set out in the corporate risk register.	In place	-	-
C	Compliance Compliance with statutory, regulatory and policy requirements is demonstrated, with action taken in cases of identified non-compliance.	Partially in place	1	-


Other Findings


- Policies and processes for Waste Management was provided and contains both the strategic plan (pages 32 - 72) and a Monitoring and Implementation Framework (pages 83-87). Full contents include: Spatial Vision, Objectives and Strategic Issues. Waste Picture within Hertfordshire. Strategy for Waste Management. Monitoring and Implementation Framework.
- The driver's manual that is currently being supplied to current workers is a legacy document, it does not cover aspects of the job that drivers carry out. To offset this issue the Head of Environmental Services and Operation Manager outlined that the new starter training covers all the areas that would be covered by the handbook, with signed declarations.
- The recommended organisational strategy for waste within environmental services highlighted in the last audit has now been put into place, and its located within the Hertfordshire Waste Development Framework (pages 32 - 81).
- Operational Transport Policy was provided and outlines fleet management responsibilities, Procurement & Disposal of Vehicles, Utilisation of Vehicles, Department Management & Driver Responsibilities, Fleet and general Health and Safety, Environmental Considerations and Accident Reporting. This policy was last updated 2021/2022.


Other Findings

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Dacorum's Recycling policy was also provided, outlining the types of bins provided to residents, instructions missed or bin discrepancies such as contamination, overweight or damage.
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The decision to implement digital tachographs has been reversed, as DBCC believe they are not required due to the repetitive controlled routes the waste lorries undertake.
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Whilst it noted waste management does not appear within the strategic risk register, the council have listed "Financial Resilience" as a strategic risk within the risk register's objectives, ensuring sufficient, coherent and modern service delivery. In addition to this on operational level risk is considered through a suite of risk assessments and health and safety legislation for all staff.
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Several different risk awareness documents are on file, which outline the hazards that can occur within the job roles of the employees. These range from manual handling guides to hazards that can occur whilst out on bin collections such as extreme weather and dangerous animals.
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Five vehicles were checked for their compliance to weigh limit regulations. All five vehicles were under the 25 tonne weight limit and passed all checks, varying between and tonnes. The registration of the vehicles were as follows: FFN, FFM, WCT. VF20 VX71, DX73.

Examples of the vehicle overload reports were also provided, these showed two instances where vehicle load had been over the legal gross weight and detailed why this had occurred, the first instance from reg VU64AHY was a driver error and was given a warning, the second was a calibration error with the weight scales.
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Accident Report Log spreadsheet was provided, outlining the date of when accidents occur, details of the accident, how long the effected worker was off work, when the incident details were sent to insurers, alongside management comments.
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A full training compliance spreadsheet was provided, containing the licence numbers, the date the training was completed and when each worker's training expires. After reviewing the spreadsheet there were 0 instances of workers having expired training, staff who's training is due to expire in 2024 have been identified and highlighted.

To test that the process is being followed and spreadsheet information is correct four new members of staff were picked and checked for completed training, the result of the test was that all four members of staff had completed the training.
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A review of three vehicle defect reports showed 0 instances of incomplete recordings, this is an improvement from the previous audit which identified three instances of incomplete vehicle details.
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A series of risk assessments were evidenced that cover risks for drivers when out during bin collection, in addition there are risk assessments that cover the risks at working on site at the depot.



Delivery Risk:

Failure to deliver the service in an effective manner which meets the requirements of the organisation.

Ref	Expected Key Risk Mitigation	Effectiveness of arrangements	Cross Reference to MAP	Cross Reference to OEM
PM	Performance Monitoring There are agreed KPIs for the process which align with the business plan requirements and are independently monitored, with corrective action taken in a timely manner.	In place	-	-
S	Sustainability The impact on the organisation's sustainability agenda has been considered.	Out of scope	-	-
R	Resilience Good practice to respond to business interruption events and to enhance the economic, effective and efficient delivery is adopted.	In place	2	-

Other Findings



Neighbourhood Operations Performance Measures KPI's were provided. These KPI's covered the following areas: Environmental Services (Reports of all missed bins per 100,000 per month & quarter. Quarterly Recycling Rate of waste collected, Amount in Kilogram per household of residual waste collected during the period), Neighbourhood Management (Monthly & Quarterly percentage of garages income, Percentage of Parking income, Percentage of fly tips collected, Percentage of Graffiti removed,, Number of Green Flag parks) and Regulatory Services (Percentage of fly-tips reported, Percentage of high risk food inspections/interventions, Percentage of Environmental Health requests, Percentage of noise nuisance).

All of the above KPI's are showing as green which means at an acceptable level, if they drop below an acceptable level then they are marked as yellow.

EXPLANATORY INFORMATION

Appendix A

Scope and Limitations of the Review

- 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. As set out in the Audit Charter, substantive testing is only carried out where this has been agreed with management and unless explicitly shown in the scope no such work has been performed.

Disclaimer

- The matters raised in this report are only those that came to the attention of the auditor during the course of the 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.

Effectiveness of arrangements

- The definitions of the effectiveness of arrangements are set out below. These are based solely upon the audit work performed, assume business as usual, and do not necessarily cover management override or exceptional circumstances.

In place	The control arrangements in place mitigate the risk from arising.
Partially in place	The control arrangements in place only partially mitigate the risk from arising.
Not in place	The control arrangements in place do not effectively mitigate the risk from arising.

Assurance Assessment

- The definitions of the assurance assessments are:

Substantial Assurance	There is a robust system of internal controls operating effectively to ensure that risks are managed and process objectives achieved.
Reasonable Assurance	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.
Limited Assurance	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.
No Assurance	There is a fundamental breakdown or absence of core internal controls requiring immediate action.

Acknowledgement

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

Release of Report

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

Stage	Issued	Response Received
Audit Planning Memorandum:	10 th August 2024	10 th August 2024
Draft Report:	7 th March 2024	24 th June 2024
Final Report:	5 th July 2024	

AUDIT PLANNING MEMORANDUM

Appendix B

Client:	Dacorum Borough Council		
Review:	Waste Management		
Type of Review:	Assurance	Audit Lead:	MB - Auditor

Outline scope (per Annual Plan):	This follow up review will consider Driver's hours/ Log Books or Tachographs; Load management; Care of equipment; Parking; Reversing (banksman); Cleaning of equipment; Driver checks; Defect reporting; Understanding Fleet Compliance and processes; Spot checks conducted by Ops management, on: Log book records, Daily checks, Gate checks, Street checks, Seat belts, Vehicle condition/cleanliness of cab.		
Detailed scope will consider:	<p>Directed</p> <p>Governance Framework: There is a documented process instruction which accords with the relevant regulatory guidance, Financial Instructions and Scheme of Delegation.</p> <p>Risk Mitigation: The documented process aligns with the mitigating arrangements set out in the corporate risk register.</p> <p>Compliance: Compliance with statutory, regulatory and policy requirements is demonstrated, with action taken in cases of identified non-compliance.</p>	<p>Delivery</p> <p>Performance monitoring: There are agreed KPIs for the process which align with the business plan requirements and are independently monitored, with corrective action taken in a timely manner.</p> <p>Sustainability: The impact on the organisation's sustainability agenda has been considered.</p> <p>Resilience: Good practice to respond to business interruption events and to enhance the economic, effective and efficient delivery is adopted.</p>	
Requested additions to scope:	(if required then please provide brief detail)		
Exclusions from scope:	Sustainability		

Planned Start Date:	02/02/2024	Exit Meeting Date:	22/02/2024	Exit Meeting to be held with:	Head of Environmental Services
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SELF ASSESSMENT RESPONSE

Matters over the previous 12 months relating to activity to be reviewed	Y/N (if Y then please provide brief details separately)
Has there been any reduction in the effectiveness of the internal controls due to staff absences through sickness and/or vacancies etc?	N
Have there been any breakdowns in the internal controls resulting in disciplinary action or similar?	Y
Have there been any significant changes to the process?	N
Are there any particular matters/periods of time you would like the review to consider?	N