

DEPARTMENT Environment	AUDIT REVIEW Capital Maintenance	AUDIT REF 6616006
PLANNED DAYS 10	ACTUAL DAYS 10	Frequency of Audit

Background

The 5 year Capital Programme 2016/17 to 2020/21 ratified by the Executive Board includes a total of £3.25m allocated to Capital Maintenance for 2016/17 financial year. The audit reviewed how projects are prioritised for funding, procurement, management and monitoring arrangements.

Scope

The review:-

- Ascertained the process in prioritising individual Capital Maintenance projects;
- Ensured that any jobs awarded to outside Contractors have been done in accordance with the Authority's Procurement Rules;
- Ensured that Contract Management arrangements are appropriate.

General Opinion

Capital Maintenance is assessed as high risk in the Internal Audit Plan for 2016/17. The process of allocating monies for Capital Maintenance has changed as a result of a TIC Review undertaken during 2013. Previously, the budget (approximately £3.25m allocated every year) was held by Property Services and the decision of allocating where monies were spent was the up to the Operational Division. These decisions were based on Health Safety & Wellbeing risk to property users/occupiers and the overall condition/lifespan of property elements. Since the TIC review the £3.25m allocated is notionally split between the 4 Directorates utilising an agreed formula based on a GIA (Gross Internal Area) and property usage.

The main area of audit testing focused on the procurement arrangements in place for awarding jobs to outside Contractors and subsequent Contract Management. Whilst other minor issues were highlighted during the audit, two particular areas of concern in relation to utilising the Responsive Minor Works and Disabled Adaptions Contractors Framework and post completions were identified.

The Responsive Minor Works and Disabled Adaptions Contractors Framework is being utilised by the Building Services Section to ensure Contractors only listed on that Framework are allocated work, however, the process of how Contractors are called-off is unclear.

In addition, no written evidence of post completion checks were seen. Given the significant amount of money spent on Capital Maintenance schemes it is imperative that the Authority takes responsibility for ensuring works are completed to the agreed specification.

RECOMMENDATIONS		OVERALL ASSURANCE
Priority 1- Fundamental Weaknesses	1	LOW
Priority 2 – Strengthen Existing Controls	2	
Priority 3 – Minor Issues	4	