

Internal Audit Final Report

Infrastructure, Environment and Economy

Review of Winter Maintenance Payments

Description	Priority	No.
Major issues that managers need to address as a matter of urgency.	High	0
Important issues that managers should address and will benefit the Organisation if implemented.	Medium	2
Minor issues that are not critical but managers should address.	Low	1

Distribution:

Depute Chief Executive
Executive Chief Officer for Infrastructure and Environment

Audit Opinion

The opinion is based upon, and limited to, the work performed in respect of the subject under review. Internal Audit cannot provide total assurance that control weaknesses or irregularities do not exist. It is the opinion that **Substantial Assurance** can be given in that while there is generally a sound system, there are minor areas of weakness which put some of the system objectives at risk, and/ or there is evidence that the level of non-compliance with some of the controls may put some of the system objectives at risk.

Report Ref: HIE04/001.bf.bf

Draft Date: 28/06/2023

Final Date: 29/08/2023

1. Introduction

- 1.1 This audit considered the arrangements for claiming and approving the payment of standby allowances and associated overtime for roads winter maintenance duties in 2021/22.
- 1.2 The scope of this review extended to all Roads operation areas and considered the standby cover that is provided by employees within the Roads & Transport function and other Council Services where they have helped provide winter maintenance duties.
- 1.3 A sample of payments were tested to ensure that they were appropriate and had been claimed and approved in accordance with the guidance provided to employees and authorising officers. Winter maintenance labour costs for 2021/22 are set out in the table below:

Employing Service	Total Value £000s
Roads	1,271
Non-Roads	223
Total	1,494

2. Main Findings

- 2.1 *Standby allowances are only paid to those employees who are available to carry out standby duties for winter maintenance*

This audit objective was substantially achieved. The authorising officers within each Roads operation area have access to winter maintenance information including staffing rotas, foreperson records, vehicle tracking and grit spreading data which allows them to validate the allowances that roads operatives claim on their timesheets. However, this information is not provided to non-Roads Services so they cannot undertake the same validation process. (See Action Plan Reference: M1)

A sample of 60 timesheets were tested to ensure they were properly completed by the operative and certified by the authorising officer. All 60 were properly authorised and 59 (98%) were signed by the operative. One timesheet was completed by the authorising officer because the operative was absent at the timesheet submission date. There is no declaration on the timesheets for operatives to confirm that the allowances claimed are a true and accurate record of their availability to carry out winter maintenance duties. It was also identified that there is no guidance document available to assist operatives and authorising officers in the processing of winter maintenance claims. (See Action Plan Reference: M2)

The timesheets were tested to ensure that when standby allowance was claimed, which can only be claimed when the operative is available attend for duty, the operatives were included on the winter maintenance staffing rota. Of the timesheets tested 36 included at least one standby allowance claim:

- 26 (72%) were verified as being included on the published rota;
- 8 (22%) could not be verified as no staffing rota was provided by the Lochaber, Nairn, Badenoch & Strathspey Roads operation areas; and
- 2 (5%) were not included on the published rota provided. Management stated that operatives can be asked at short notice to provide cover for absent colleagues but the published rota may not be updated to reflect such changes. (See Action Plan Reference: L1)

- 2.2 *Overtime is only paid to those employees that carry out roads winter maintenance duties to the correct standards*

This audit objective was substantially achieved. A sample of 60 timesheets covering all Roads operation areas were tested, which identified that 35 (58%) included a claim for winter maintenance overtime. Through discussions with Roads Operations Managers, it was identified that the depot foreperson is responsible for carrying out checks to ensure the operative was on duty for the period they claimed overtime hours. Roads operative's timesheets

are also authorised by the foreperson, giving them good knowledge of when an operative was called to duty. As a Roads operatives' timesheets are checked and authorised by the foreperson, the risk of an invalid claim is minimal. However, as no information is provided to other Services who provide operatives for winter maintenance duties there is a risk of invalid or incorrect claims being processed. (See Action Plan Reference: M1 & M2)

3. Conclusion

- 3.1 The Council has a broadly effective system in place for the payment of winter maintenance standby allowances and winter maintenance overtime. To be fully effective there needs to be greater sharing of information to allow non-Roads Services to properly validate timesheets and all operatives need to be able to declare on their timesheets that are fully entitled to the winter maintenance payments that they claim for.

4. Action Plan

Ref	Priority	Finding	Recommendation	Management Response	Implementation	
					Responsible Officer	Target Date
M1	Medium	<p>The supervisors of non-Roads operatives cannot fully validate timesheets that include claims for winter maintenance duties. This is because little information is provided to non-Roads Services on the dates and times that winter maintenance is provided. Section 18.2.7 of the Council's Financial Regulations states that Officers must only authorise a transaction when they are aware of its circumstances; are given access to documents supporting it if required and are in a position to challenge it.</p> <p>As the timesheets of Roads operatives are checked and authorised by the foreperson, who has responsibility to ensure the operative attends when called to duty, the risk of a false claim is minimal. However, as no information is provided to other Services who provide operatives for winter maintenance duties there is a risk of false claims being processed. Non-Roads operatives made up 14.9% (£222,910) of winter maintenance labour costs for FY2021/22.</p>	<p>Management should ensure a record is kept of when an operative is called to duty and the hours they worked during that time. This information should also be provided to Services who provide operatives for winter maintenance to allow authorising officers to confirm that operatives have actually worked (or were available to work) the hours claimed on their timesheet before they are approved for payment.</p>	<p>Roads Service to agree that information is given to the Services who are providing staff. To be on agenda for Sept Roads Management meeting as a reminder.</p>	Executive Chief Officer, Infrastructure and Environment	27/09/23
M2	Medium	<p>The timesheet used by the operatives does not include a declaration to confirm that all claims for payment are accurate and complete.</p> <p>One timesheet was completed by the authorising officer because the operative was absent at the timesheet submission date.</p>	<p>Management should include a declaration on timesheets for all claimants to confirm that they have worked (or were available to work) the hours claimed. Employees should be required to complete and sign their timesheet</p>	<p>Roads HQ team to redraft timesheet and add in statement. However, it is noted that some already include a signature on the template. Will be distributed to all Areas who</p>	Executive Chief Officer, Infrastructure and Environment	28/09/23

Ref	Priority	Finding	Recommendation	Management Response	Implementation	
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			<p>- even retrospectively after periods of absence.</p> <p>An accompanying guidance document should be created to assist operatives and authorising officers in the processing of winter maintenance claims.</p>	<p>will implement immediately.</p> <p>Guidance note to be created as part of the winter documents review and provided before the season starts.</p>	Executive Chief Officer, Infrastructure and Environment	28/09/23
L1	Low	Of the 60 timesheets tested, 36 (60%) included at least 1 standby session claim. 26 (72%) were verified as being included on the published rota. 8 (22%) could not be verified as no rota was provided. 2 (5%) were not included on the published rota, however as previously noted changes are made to accommodate staff leave.	Management should ensure that a record is maintained of any changes made to the rota at short notice to reflect the staff changes that have taken place.	<p>Roads Service to ensure staff changes on rota are recorded.</p> <p>To be on agenda for Sept Roads Management meeting as a reminder.</p>	Executive Chief Officer, Infrastructure and Environment	27/09/23