



Meeting of the

AUDIT COMMITTEE

Tuesday, 6 January 2009 at 7.30 p.m.

SUPPLEMENTAL INFORMATION

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6 .1 Quarterly Assurance Report - September to November 2008	1 - 4	

To consider the attached supplemental information from services

If you require any further information relating to this meeting, would like to request a large print, Braille or audio version of this document, or would like to discuss access arrangements or any other special requirements, please contact:

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Communities, Localities & Culture: Public Realm

Briefing Note for Audit Committee : Highway Inspections Audit

Introduction:

In order to fulfil its duty to maintain the public highway, the Council is required to carry out routine inspections of highways to identify and remedy any defects identified. This is particularly important in providing a defence against claims where injury has occurred as a result of slips or trips allegedly caused by a failure of the highway authority to maintain its network to the required standards.

Audit Results

An initial audit in November 2007 gave this activity a “nil” return but actions implemented since then have led to an improved, but still unsatisfactory assurance level of “limited”.

The follow-up review found that out of 16 recommendations made in the original report, 9 had already been fully implemented. These included :-

- improvements in Service Planning,
- establishment of written procedures in line with the current Code of Practice,
- compliance with those procedures and improved recording systems,
- review of resources to support the inspection regime,
- recording of correspondence and review of responses,
- management review of monitoring and records, and
- adoption of local performance indicators.

The audit found that the control environment had improved.

There are still 7 recommendations outstanding, 3 of which did not have a completion target until March 09. All these recommendations relate to the development of an Asset Management System which is yet to be implemented. This is the reason for the assurance level of '*LIMITED*'.

Actions for improvement

The delivery of an Asset Management System (AMS) is critical to monitoring performance and providing the ability to prioritise maintenance works to achieve best value for money and consider the full life of the asset. Progress has been made on the delivery of this AMS. An initial framework Asset Management Plan has been drafted and a Health Check carried out to identify the extent of the works needed to fully implement the AMS.

In line with the Corporate Project Management System, a Project Inception Document (PID) was developed last year and a Project Steering Group was established led by the (now) Service Head Public Realm. The membership of the group recognises the importance of close working between Transportation & Highways and ICT and this relationship has worked well to date. Phase One, the updating of the Streetworks element of the software took place between April and September. Unfortunately the relationship with the software supplier has not been as effective as could have been expected and as a result, the decision was taken to review the available software to ensure that the best service was procured.

The Project Manager has been involved in the Corporate Asset Management Project but it has been recognised that the Highways AMS is a specialised system which will need to be developed separately. Ultimately it would combine an electronic map-based highway inventory which can be operated using handhelds on site to record inspections and even order works remotely, thus achieving greater efficiency in service delivery.

A bid has also recently been submitted to the Department of Transport for support funding for this project for which London Boroughs have only recently been made eligible.

Conclusion

On the basis of the above decisions the PID has being reviewed and the Project Steering Group is to be reviewed to take forward delivery. This will inevitably delay the achievement of the original March 2009 target for implementation of the AMS, but will ultimately ensure a better system can be established and maintained.

The revised timetable for implementation is :-

31 Jan 2009	ICT review of support required for the AMS to provide a more robust project plan
31 Jan 2009	First meeting of new Project Steering Group
28 Feb 2009	Approval of revised Project Plan for delivery of AMS
1 June 2009	Procurement of AMS supplier
1 July – 1 Dec 2009	Implementation of AMS
Jan – Mar 2010	Staff training and Go-Live

Communities, Localities & Culture: Public Realm

Briefing Note for Audit Committee : Streetworks Systems Audit

Introduction:

The New Roads and Street Works Act 1991 gives Street Authorities like Tower Hamlets, the power to inspect, investigate and report on statutory undertakers' works and reinstatements. The Street Authority is responsible for monitoring the undertakers' performance and co-ordinating works, but the utility remains responsible for the actual works. Street Authorities are empowered to charge undertakers for sample inspections they carry out and may carry out any investigatory works necessary to determine whether undertakers have complied with their duties in respect to reinstatements

Audit Results

The Audit of May 2008 found that all work schemes requiring re-instatements were notified to the Council by the utility companies and the system for sample selection was adequate. However, there was a need to have clear policies and procedures in a number of areas to ensure that key risks and priorities were addressed by the team. There was insufficient evidence to show that the performance of different utility companies was monitored and the budget needed to be reviewed to ensure it was related to the level and volume of activities undertaken by the team. Hence an assurance level of 'limited' was assigned but a follow-up audit has not yet been carried out.

Actions for improvement

13 improvement actions were identified in the report.

- In order to ensure clear policy and procedures for the team, the Code of Practice which currently forms the basis of their operational practice is being redrafted to be specific to Tower Hamlets priorities and operating conditions. This will be complete by March 09.
- The Transportation & Highways Service Plan for 2009/10 will contain targets of direct relevance to Streetworks and officers have already been closed involved in the early stages of plan development. However, the Streetworks activity is not a separate team and it is not appropriate for establish a separate Service Plan for Streetworks.
- Consideration has been give to a dedicated administrative resource but it is not consistent with the aims of the Public Realm service to segregate Admin support for individual functions.
- Risk assessments will be updated by March 2009.
- A written procedure for sample inspections will be completed by March 09.

- A monitoring system is in place through the EXOR system which selects daily sample inspections and inspection reports confirm inspection has taken place.
- The redraft of team procedures will include remedial inspections.
- The redraft of team procedures will include investigation of complaints.
- The redraft of team procedures will include recording and monitoring of Section 74 inspections (overruns).
- A Business Case has been prepared to introduce a pilot dedicated Section 74 officer in order that income potential can be assessed. Recruitment will take place in the New Year when the EXOR system should be able to support this post.
- The Streetworks budget is regularly monitored and revised to match work activity.
- More formal reports of individual undertakers performance will be provided to the Service Head once the EXOR Streetworks Management system is operating fully.
- Local performance targets are being developed in discussion with officers for inclusion in the Transportation & Highways Service Plan 2009/10.

Conclusion

The core actions focus on establishing clear written procedures which make the existing national Code of Practice specific to Tower Hamlets priorities.

Significant progress will have been made by the time of the audit review which will improve the assurance level.