

Moray Council

Internal Audit Section

DEPARTMENT: Economy, Environment & Finance

SUBJECT: Roads Maintenance - Planned

REPORT REF: 22'014

Follow Up Audit Review

Risk Ratings for Recommendations					
High	Key controls absent, not being operated as designed or could be improved. Urgent attention required.	Medium	Less critically important controls absent, not being operated as designed or could be improved.	Low	Lower level controls absent, not being operated as designed or could be improved.
No.	Audit Recommendation	Priority	Accepted (Yes/ No)	Date of Completion	Status / Explanation
Key Control: Works met by the capital budget provision follow proper procurement procedures, are monitored effectively and accurately costed.					
5.01	A review of the in-house contractor Schedule of Rates should be undertaken to ensure individual costings provide value for money. As works are also awarded directly to the in house contractor based on a Bill of	Medium	Yes	31/03/2023 (Revised Implementation Date 31/03/2025)	Part Implemented. Evidence was noted that the Service has been reviewing individual costings within the Schedule of Rates and the Bill of Quantities. However, due to staffing issues within Roads Maintenance and the Accountancy Sections, there was a need to suspend this process. It is now planned for a working group to be established with officers

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	Quantities, the same requirement should be undertaken. Yearly changes to individual rates should also be reviewed to ensure best value is achieved for the costs charged.				from both Roads Maintenance and the Accountancy Sections to review the costings of all individual rates. This should ensure transparency in the calculation of all the rates used for costing and recharging of jobs. An officer from the Internal Audit Section has also been asked to overview this arrangement. Due to the volume of the work required, a revised Implementation date of 31/3/2025 has been agreed.
5.02	Oncost percentages charged on works completed by the in house contractor should be reviewed to ensure the rates used reflect the expenditure incurred.	Medium	Yes	31/03/2023 (Revised Implementation Date 31/03/2025)	Outstanding. As detailed in 5.01, a working group has been established with officers from the Roads Maintenance and Accountancy Sections to review all rates used for the recharging of works. This will also include the recalculation of the oncost rates used to ensure they reflect the actual expenditure incurred. A revised Implementation date of 31/3/2025 has been agreed.

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5.03	Consideration should be undertaken to develop a range of performance indicators to monitor the works undertaken by private and in-house contractors.	Medium	Yes	31/03/2023 (Revised Implementation Date 31/12/2024)	Part Implemented. Evidence has been noted of benchmarking to compare in-house contractor pricing to external contractor costs. In addition, the Association for Public Service Excellence (APSE) Roads, Highways, and Winter Maintenance performance comparison indicators with other local authorities are used in the management of the Service. However, the Roads Maintenance Manager has accepted that further benchmarking needs to be developed to reflect the whole Service to demonstrate best value. A revised Implementation date of 31/12/2024 has been agreed.
5.04	Operating procedures should be documented to assist officers in managing projects and ensuring working practices follow	Medium	Yes	31/07/2022 (Revised Implementation Date 31/12/2024)	Part Implemented. An individual scheme file pack for all internal works over £10,000 has been developed. However, there is a need to ensure that operating practices are supported with documented procedures. A revised date

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	recommended civil engineering conditions.				of 31/12/2024 has been agreed to fully implement this recommendation.