

AUDIT REPORT 23'017

BUILDING SERVICES - PLANNED MAINTENANCE PROJECTS

Executive Summary

The annual audit plan for 2022/23 provided for a review of Planned Maintenance Projects undertaken by Building Services. The total budget for 2022/23 amounted to approximately £5 million and included the works undertaken for the replacement of bathrooms, kitchens, central heating systems and disabled adaptations. A planned maintenance programme of projects to be undertaken is agreed annually between Property and Building Services. It was noted that service delivery, including performance management is administered through a Partnership Agreement.

The audit scope involved an overview of how the annual planned maintenance programme is determined and the contract management arrangements of projects undertaken by Building Services. The audit involved a random selection of projects to verify costs to supporting documentation and compliance with contract conditions and regulations. Additional testing was also undertaken of the systems regarding the management and control of overtime paid to officers. This was due to a special investigation undertaken of the overtime claims made by two officers within Building Services. The audit concerned the overtime paid to these officers and whether the individuals had actually undertaken the work claimed. The findings of this investigation have been reported separately to the Building Services Manager.

The audit was carried out in accordance with Public Sector Internal Audit Standards (PSIAS).

The audit review has highlighted the following areas for improvement:-

- It is pleasing to note that Building Services monitor planned maintenance performance through internally agreed targets and participation in Association for Public Service Excellence (APSE) benchmarking exercises with other Local Authorities. However, consideration should also be given to developing performance targets for the completion of works from comparisons or benchmarking with the private sector.
- It was found that budgetary and actual costs of planned works are calculated from established costing arrangements. The audit noted the basis for determining the annual percentage increases in estimated costs for the planned maintenance programme is based on a costing exercise undertaken in 2019. In addition, the actual costs for works completed use percentage uplift rates for the recovery of overtime, overheads and use of sub-contractors. Costing rates should be reviewed to ensure increases provide greater transparency and supports more accurate performance data of the actual costs of the works undertaken.

- A review of the system for authorising and recording overtime paid to officers highlighted further improvements to current administrative arrangements. Audit testing found overtime claims had not been correctly approved or a clear audit trail maintained detailing the specific job number or reason for authoring the additional hours.

Recommendations

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)	Comments	Responsible Officer	Timescale for Implementation
Key Control: Planned maintenance works are managed in accordance with contract, procurement and financial regulations.						
5.01	A review should be undertaken of the revised working time arrangements for craft and manual officers agreed at a meeting of the Communities Committee on 22 October 2013 (para. 21 of the minute refers). If the benefits of these changes to core hours and shift patterns remain, an agreement should be sought to continue with current arrangements.	Medium	Yes	Survey of staff to be carried out and report of findings to be consulted with staff and Trade Unions, to determine if current shifts should remain.	Building Services Manager	30/09/2023
5.02	Consideration should also be given in developing performance targets for the time taken to complete works from comparisons or benchmarking with the private sector.	Medium	Yes	Benchmarking to be carried out by Property QS team to compare DLO performance in relation to external contractors.	Principal Quantity Surveyor	31/03/2024

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5.03	A review should be undertaken of the rates used and accounting arrangements for determining budgets and recovery of costs of planned maintenance works.	Medium	Yes	Planned Maintenance recharge rates to be reviewed, as well as overhead allocation.	Building Services Manager	31/03/2024
5.04	Procedures should be developed to allow the recording and monitoring of the metal collected for recycling.	Low	Yes	Written procedure to be developed for all waste handling, including disposal of scrap.	Building Services Manager	31/05/2023
5.05	Officers should be reminded of the Council's Retention Schedule to ensure all have a clear understanding of the time periods regarding the retention of records.	Low	Yes	Retention schedules to be reviewed for all paper stores issue tickets.as part of developing paperless	Building Services Manager	30/06/2023

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				stock issues on new Datastox system.		
5.06	Officer timesheets should be amended to allow any overtime undertaken to be recorded against a specific job number. In accordance with agreed operating arrangements, officers' timesheets must be authorised by a supervisor and a co-ordinator.	Medium Medium	Yes Yes	Timesheets now reviewed and agreed with Internal Audit and Payroll to capture this information. (ICT working on developing automatic timesheet recording via hand held devices).	Building Services Manager	31/03/2023
5.07	The use Ctrack system should be investigated as an aid to allow the monitoring of officers timesheets of the working time charged to jobs.	Medium	Yes	C-Track reports now being generated and issued to relevant officers weekly. A monthly	Building Services Manager	31/03/2023

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				timesheet audit also now carried out of high overtime claims against C-Track records. (A Council wide Safe Driving and Vehicle Location Policy is being developed).		
5.08	All Clerk of Works Instructions should be recorded detailing the requirement for any additional work needed within planned works.	Medium	Yes	DLO Procedures in place to record variations should be used by all relevant staff. Refresher Training on this to take place with relevant officers.	Building Services Manager	30/06/2023
5.09	Contracts should be agreed with companies used regularly for the supply of goods and materials	Medium	Yes	Annual spend will be	Building Services Manager	31/03/2024

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	where annual expenditure exceeds the Quick Quote threshold of £5000.			reviewed after financial year end 31 March 2023 and all off contract spend highlighted as part of Departmental Procurement Plan (DPAP) 2023/24.		