



Internal Audit Report  
The Environment Service  
14-02 Flood Mitigation  
August 2014

## Final Report

Chief Executive's Service  
Finance Division  
Perth & Kinross Council  
2 High Street  
Perth PH1 5PH



## Background and Introduction

This audit was carried out as part of the audit plan for 2014/15, which was approved by the Audit Committee on 2 April 2014.

The Flood Risk Management (Scotland) Act 2009 (the Act) gave the Council a wide range of legal powers and responsibilities to manage flood risk. Implementation of the Act was delegated by the Council to the Environment Committee, and further to the Executive Director, The Environment Service (TES).

The audit focussed on implementation by the Service of procedures for the assessment, clearance and repair of bodies of water in Perth and Kinross.

## Acknowledgements

Internal Audit acknowledges with thanks the co-operation of staff in the Flooding team in TES during this audit.

## Control Objectives and Opinions

This section describes the purpose of the audit and summarises the results. A 'control objective' is a management objective that requires the maintenance of adequate and effective internal controls to ensure that it is achieved. Each control objective has been given a rating describing, on the basis of the audit work done, the actual strength of the internal controls found to be in place. Areas of good or poor practice are described where appropriate.

Control Objective: To verify that the assessment, clearance and repair of bodies of water in Perth and Kinross are satisfactory in terms of compliance with statute and relevant national guidance and best practice.	
Auditor's Comments: Audit found the Service has processes in place which deliver satisfactory compliance with statutory requirements for assessment, clearance and repair of bodies of water. There is a lack of detailed national guidance and recognised standards of best practice; but Service processes are logical, systematic and adapted to the needs of Perth and Kinross. There is scope to improve the content of reporting to Committee and the evidencing of management supervision.	
Strength of Internal Controls:	Moderate

## Management Action and Follow-Up

Responsibility for the maintenance of adequate and effective internal controls rests with management.

Where the audit has identified areas where a response by management is required, these are listed in Appendix 1, along with an indication of the importance of each 'action point'. Appendix 2 describes these action points in more detail, and records the action plan that has been developed by management in response to each point.

## Internal Audit Report

It is management's responsibility to ensure that the action plan presented in this report is achievable and appropriate to the circumstances. Where a decision is taken not to act in response to this report, it is the responsibility of management to assess and accept the risks arising from non-implementation.

Achievement of the action plan is monitored through Internal Audit's 'follow up' arrangements.

Management should ensure that the relevant risk profiles are reviewed and updated where necessary to take account of the contents of Internal Audit reports. The completeness of risk profiles will be examined as part of Internal Audit's normal planned work.

### Feedback

Internal Audit welcomes feedback from management, in connection with this audit or with the Internal Audit service in general.

### Distribution

The final report has been issued to:

B Malone, Chief Executive

J Valentine, Executive Director, TES

B Renton, Depute Director, TES

W Young, Acting Head of Environmental and Consumer Services, TES

J Symon, Head of Finance

A Strang, Structures and Flooding Manager, TES

P Dickson, Senior Engineer (Flooding), TES

P Dickson, Complaints & Governance Officer

External Audit

Other officers may be added if necessary.

### Authorisation

The auditor for this assignment was R D Watt. The supervising auditor was M Morrison.

This report is authorised for issue:

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Jacqueline Clark

Chief Internal Auditor

Date: 13 August 2014

## Appendix 1: Summary of Action Points

No.	Action Point	Risk/Importance
1	Frequency of Watercourse Assessment	Medium
2	Disclosure of Clearance and Repair Works	Low
3	Written Procedures	Low
4	Reporting of proposals for flood protection works	Medium
5	Risk Management	Medium



## Appendix 2: Action Plan

### Action Point 1 - Frequency of Watercourse Assessment

According to the Act, “Every local authority must, from time to time [...] assess the relevant bodies of water...”. There is no national guidance on interpretation of the phrase, “from time to time”; it is for local authorities to determine the most appropriate interval for inspection. Report 13/544 to the Environment Committee of 20 November 2013 (The Flood Risk Management (Scotland) Act 2009 – Progress Report) sets out the “Frequency of Assessment” for each watercourse inspected by the Service.

The audit reviewed inspection reports for a sample of 9 watercourses. This found:

- (a) a watercourse reported as due to be inspected annually was most recently inspected in 2012;
- (b) a potential watercourse obstruction, which formed part of a watercourse due for annual inspection, was reported as due to be inspected quarterly. Whilst the annual inspection has taken place, the quarterly inspections have not.
- (c) a watercourse which was reported as due to be inspected monthly in the period 2009-2012 was only inspected annually.

### Management Action Plan

An exercise had been carried out to review the existing inspection frequencies and some operational amendments have been made based on the level of flood risk, the benefits of the inspections and the available staff resources to carry out the inspections. A report detailing the updated inspection frequencies will be presented to the Environment Committee in January 2015.

Importance:	Medium
Responsible Officer:	P Dickson, Senior Engineer (Flooding)
Lead Service:	The Environment Service
Date for Completion (Month / Year):	January 2015
Required Evidence of Completion:	Copy of report to Environment Committee

### Auditor's Comments

Satisfactory

## Action Point 2 - Disclosure of Clearance and Repair Works

The Act requires that the Council "... must make available for public inspection the schedule of clearance and repair works" which is prepared following its assessment of watercourses.

As at May 2014, the Council's website featured a web-page entitled "Schedule of Watercourse Clearance and Repair 2014/15" specifying six projects. However, this does not contain the full year's work programme, which may be assumed from the title of the page.

### Management Action Plan

The web-page guidance and notes on the schedule of clearance and repair will be revised to reflect the rolling nature of the works.

Importance:	Low
Responsible Officer:	P Dickson, Senior Engineer (Flooding)
Lead Service:	The Environment Service
Date for Completion (Month / Year):	September 2014
Required Evidence of Completion:	Copy of revised web-page guidance and schedule

### Auditor's Comments

Satisfactory



### Action Point 3 - Written procedures

The Act allocates a range of assessment, clearance and repair work to local authorities. However, to date, neither the Scottish Government nor the Scottish Environment Protection Agency has issued detailed guidance. The audit found that in the absence of national guidance, the TES flooding team has adopted a logical and systematic approach to carrying out relevant tasks.

However, there is scope to improve by recording of current practices in written procedures which incorporate appropriate internal controls.

### Management Action Plan

Procedures will be prepared for approval by the Structures & Flooding Manager for the following activities:

- (a) Inspection procedure – e.g., what problems inspectors should look for;
- (b) Inspection review procedure – e.g., what is expected of those reviewing inspection reports; ensuring all watercourses are covered by programme;
- (c) Scheduling procedure – e.g., criteria for identifying works which meet the flooding team's definition of "clearance" and "repair" under the 2009 Act.

Importance:	Low
Responsible Officer:	P Dickson, Senior Engineer (Flooding)
Lead Service:	The Environment Service
Date for Completion (Month / Year):	September 2014
Required Evidence of Completion:	Copy of written procedures

### Auditor's Comments

Satisfactory

## Action Point 4 - Reporting of proposals for flood protection works

The Environment Committee is informed biennially of flooding-related capital schemes completed, in hand, and planned. The information provided includes proposals for flood prevention works. Each biennial report in recent years has made it clear that construction will only take place if sufficient funds are available. In practice, in recent years many projects proposed to, and approved by, Committee, have not been implemented for this reason.

Although each biennial report has clearly stated that projects will only be carried out if funds are available, these reports have not disclosed that such projects have already been approved by Committee – in some cases, several times.

### Management Action Plan

The Service is currently engaged in preparing a new Local Flood Risk Management Plan as required by the Flood Risk Management (Scotland) Act 2009. These preparations will include revisiting our plans for new capital works. On the next occasion when capital works are proposed, the Service will inform the Environment Committee of any previous approvals granted for the same or similar schemes at each location.

Importance:	Medium
Responsible Officer:	P Dickson, Senior Engineer (Flooding)
Lead Service:	The Environment Service
Date for Completion (Month / Year):	June 2016
Required Evidence of Completion:	Copy of published Local Flood Risk Management Plan, identifying any previous approvals of capital works

### Auditor's Comments

Satisfactory

## Action Point 5 - Risk Management

Under the Flood Risk Management (Scotland) Act 2009, the Council must act with a view to reduce the overall flood risk in Perth and Kinross. In 2011, the Council was appointed Lead Local Authority by the Scottish Government for flood risk management of the entire River Tay catchment. Perth and Kinross has a large number of watercourses and there have been a number of high-impact flooding incidents in recent years. Flooding therefore constitutes a risk for Perth and Kinross, both in terms of likelihood and in terms of impact on communities and businesses.

However, there is no evidence that the Council's responsibilities under the Act have been considered for inclusion within the context of the risk management arrangements for potential inclusion within risk profiles.

## Management Action Plan

The Environment Service Senior Management Team considered the inclusion of the Council's responsibilities under the Flood Risk Management within risk profiles in July 2014 and decided that there were insufficient grounds for including this at this time due to their being sufficient mitigating controls in place.

Importance:	Medium
Responsible Officer:	W Young, Acting Head of Environmental & Consumer Services
Lead Service:	The Environment Service
Date for Completion (Month / Year):	Completed
Required Evidence of Completion:	SMT minute recording discussion and decision

## Auditor's Comments

Accepted

