



Internal Audit Report
The Environment Service
15-42 Blue Badge Misuse Procedures
August 2015

Final Report

Chief Executive's Service
Finance Division
Perth & Kinross Council
Blackfriars Development Centre
North Port
Perth PH1 5LU

Internal Audit

“Internal Audit is an independent, objective assurance and consulting activity designed to add value and improve an organisation’s operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes”. Public Sector Internal Auditing Standards (PSIAS)

On 27th March 2013, the Council’s Audit Committee approved the PSIAS as the relevant standard for its Internal Audit activity.

Background and Introduction

This audit was carried out as an addition to the approved audit plan for 2015/16 following the receipt of an allegation of misuse of a blue badge.

Findings

An allegation was received by the Business Support Team in the Environment Service that someone had been misusing his wife’s blue badge. The Service was provided with the details of the person using the blue badge, the person to whom the blue badge belonged, their home address and the blue badge number. The Service contacted Internal Audit for advice.

Internal Audit met with the Service and reviewed the procedures in place for dealing with the misuse of blue badges and the action being taken by the Service in this instance. The procedures detailed action to be taken should a parking attendant encounter a situation where blue badge misuse was suspected however the procedure did not detail action to be taken where there is no Parking Attendant present, nor any further action which should be taken to ensure that there is a consistent approach to pursuing such cases.

Furthermore, there have been instances where blue badges have been misused and there did not appear to have been consistent arrangements in place for ensuring that these situations had been properly highlighted.

Scope and Limitations

The review concentrated on the individual case highlighted by the anonymous caller and the control environment for managing instances where the Service is aware that a member of Council staff has misused a blue badge.

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.

Internal Audit Report

Control Objective: To ensure that there are adequate controls over cases where blue badges have been misused	
<p>Auditor's Comments: As a result of an incident in November 2014, procedures were drawn up by the Parking Superintendent for instances where Parking Attendants have a reasonable belief that a blue badge is being misused.</p> <p>These procedures were in the process of being reviewed and Internal Audit provided advice on the content of these procedures so as to ensure that the procedures were up to date and complete.</p> <p>Where blue badges have been misused by individuals who are employed by the Council, there is no evaluation undertaken regarding any code of conduct issues.</p>	
Strength of Internal Controls:	Moderately weak

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.

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.

Acknowledgements

Internal Audit acknowledges with thanks the co-operation of Parking Services during this audit.

Feedback

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

Distribution

This report has been distributed to:

B Malone, Chief Executive

J Valentine, Executive Director, The Environment Service

B Renton, Depute Director, The Environment Service

S MacKenzie, Head of Performance & Resources

J Symon, Head of Finance

H Hope, Finance & Support Services Manager

F Reid, Parking Operations Manager

G Taylor, Head of Democratic Services

P Dickson, Complaints and Governance Officer

External Audit

Authorisation

The auditor for this assignment was J Clark.

This report is authorised for issue:

Jacqueline Clark
Chief Internal Auditor
Date: 24 August 2015

Appendix 1: Summary of Action Points

No.	Action Point	Risk/Importance
1	Blue Badge Misuse Procedures	High
2	Council Employees	High

Appendix 2: Action Plan

Action Point 1 - Blue Badge Misuse Procedures

The procedures in place at the time of the review were in the process of being reviewed.

There is scope to enhance the procedures beyond the requirements of providing Parking Attendants with a process for challenging suspected blue badge misuse at the time of its occurrence. The current procedure does not provide comprehensive guidance to the Parking Operations team for the steps to be followed if misuse is suspected or reported.

Management Action Plan

The Parking Operations Manager will update the procedure for dealing with misuse of blue badges. The updated procedure will include both guidance for Parking Attendants who come across suspected misuse in the course of their duties and the process to be followed in other situations where misuse is reported to or suspected by Parking Services. The procedure will also include the steps to be taken to secure the blue badge where there is evidence that misuse is taking place.

Importance:	High
Responsible Officer:	F Reid, Parking Operations Manager
Lead Service:	The Environment Service
Date for Completion (Month / Year):	September 2015
Required Evidence of Completion:	Updated procedure

Auditor's Comments

Satisfactory

Action Point 2 - Council Employees

There are occasions where Parking Services are aware that a Council employee has been misusing, or is alleged to be misusing, a blue badge and have therefore fraudulently not paid for parking. There have been four such instances over the last four years.

There is no protocol in place for informing Senior Managers of these occurrences to ensure that appropriate action is considered or for ensuring that a consistent approach is taken throughout the Council.

Management Action Plan

The Service will develop an internal communications protocol for informing Heads of Service, Human Resources and Internal Audit where an employee has misused, or is alleged to have misused, a blue badge.

Importance:	High
Responsible Officer:	F Reid, Parking Operations Manager
Lead Service:	The Environment Service
Date for Completion (Month / Year):	September 2015
Required Evidence of Completion:	Documented protocol

Auditor's Comments

Satisfactory