

**Bus Lane Adjudication Service**

**28<sup>th</sup> June 2011**

**Item 9 Appendix 2**

# **Internal Audit Report**

**PATROL – Bus Lane Recharge Mechanism**

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Corporate Services**

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## Report Status

Activity	Date
Fieldwork Commenced	9 May 2011
Draft Report Issued	15 June 2011
Management Responses Requested by	17 June 2011
Management Responses Received	15 June 2011
Final Report Issued	15 June 2011

## **1 Introduction**

- 1.1 This report summarises the findings and conclusion from review of the Bus Lane Recharge Mechanism for the Bus Lane Adjudication Service Joint Committee (BLASJC).

## **2 Background**

- 2.1 The Traffic Penalty Tribunal is an independent tribunal where impartial lawyers consider appeals by motorists and vehicle owners whose vehicles have been issued with:
- Penalty Charge Notices (or have been removed or clamped) by councils in England and Wales enforcing parking under the Road Traffic Act 1991 and the Traffic Management Act 2004.
  - Penalty Charge Notices by councils in England undertaking civil bus lane enforcement under the Bus Lane Contraventions (Penalty Charges, Adjudication and Enforcement) (England) Regulations (2005 SI No 2757).
- 2.2 Under the above legislation and regulations, Councils operating civil parking and bus lane enforcement functions are responsible for defraying expenses in relation to the remunerations of the Adjudicators of the Traffic Penalty Tribunal. The Enforcement Authorities are required to carry out this function through a Joint Committee which they are required to set up for this and related purposes. The PATROL Adjudication Joint Committee (PATROLAJC) and BLASJC perform this function. In accordance with legislation and regulations, the constituent authorities of each Committee defray expenses in such a proportion as they may decide.
- 2.3 Whilst there is a separate Joint Committee for the Bus Lane Adjudication Service it does share a number of systems and processes with the PATROL AJC. As a result of this an annual recharge is made to the Bus Lane ASJC.
- 2.4 The BLASJC approved planned audit work for 2010/11 at its September meeting. This plan included an allocation of days to review recharge mechanism for bus lanes.

## **3 Scope, Objective and Approach**

- 3.1 To provide assurance over the mechanism used for calculating the bus lane recharge.

## **4 Findings**

- 4.1 Discussions with the Head of Service and Finance Manager confirmed the previous basis for apportioning charges to the Bus Lanes ASJC had been in place for a number of years. Management had therefore considered it was good practice to review the basis for the calculations to ensure it provided a fair and representative amount.
- 4.2 We support the approach taken by management and decision to apportion costs on the basis of the total number of bus lane appeals received. This appeared the most logical and cost effective method. We confirmed a transparent audit trail was

available using the Appeal and Information Management System (AIMS) to evidence the number of appeals made to the service.

- 4.3 The Monitoring of Revenue Account report submitted to the BLASJC in January 2011 confirmed the recharge mechanism had been reviewed. However, neither the report nor minutes from the meeting specified the method for calculating the recharge or identified the changes made. As the recharge constitutes a considerable proportion of the expenditure incurred by the BLASJC it is our opinion further detail should have been presented to Members for information.

## **5 Conclusion**






- 5.1 Overall we are able to provide substantial assurance over the mechanism used for calculating the bus lane recharge. Supporting records had been maintained to evidence the method of calculation and changes made from previous years. A clear audit trail had been maintained to support the calculation and recharge made in respect of 2010/11. A recommendation has been made aimed at providing Members with further information in relation to the changes made and this has been included within Appendix 1.

## Appendix 1. Detailed Findings Recommendations and Action Plan

	Matters Arising	Potential Risk Implications	Recommendations	Risk	Management Response and agreed actions
<b>Objective: To provide assurance over the mechanism used for calculating the bus lane recharge.</b>					
1	<p>Whilst a report was presented to the Joint Committee in January 2011 informing Members the recharge mechanism had been reviewed and amended, no detail was provided as to what changes had been made.</p> <p>As the recharge represents a large proportion of the annual expenditure within the BLASJC accounts, it is our opinion Members should have received further details such as clarification on the potential impact of changes, benefits and reasons for the change.</p>	<p>The absence of further details relating to the bus lane recharge calculation limits Members opportunity to effectively challenge and contribute to the decision making process.</p>	<p>The Head of Service should ensure that details of the changes made to bus lane recharge calculations along with a review period are reported to Members for information.</p>	<p style="text-align: center;">●</p> <p>Moderate (Compliance)</p>	<p><b>Agreed:</b> Yes  <b>Action to be taken:</b>            A report will be submitted to the BLASJC meeting in June 2011.  <b>Additional Resources Required for implementation:</b> No  <b>Responsible Officer:</b>            Head of Service  <b>Target Date:</b>            June 2011</p>

## Appendix 2. Basis of our opinion and level of assurance

Risk Type	Description
<b>Control</b>	There are areas for development and improvement in the design of the system of internal control.
<b>Compliance</b>	There is need to improve compliance with the existing system of internal control, processes or procedures

Risk	Assessment rationale
 E. Critical	Life threatening / multiple serious injuries or prolonged work place stress. Severe impact on morale and service performance. Intense political and media scrutiny i.e. national media coverage / prolonged local media coverage. Possible criminal, or high profile, civil action. Cessation of core activities, Strategies not consistent with government's agenda, trends show service is degraded. Failure of major Projects. Large increase on project budget/cost: (more than <b>15 to 30%</b> of the service budget). Statutory intervention triggered.
 D. Major	Serious injuries or stress requiring medical treatment with many workdays lost. Major impact on morale and performance. Scrutiny required by external agencies, external audit etc. Unfavourable national or prolonged local external media coverage. Noticeable impact on public opinion. Major impact on the effectiveness of governance for Patrol. Significant disruption of core activities / performance. Key targets missed, some services compromised. Senior Management action required. Major increase on project budget/cost: (more than <b>6 to 15%</b> of the service budget).
 C. Significant	Injuries or stress requiring some medical treatment with workdays lost. Some impact on morale and performance. Scrutiny likely to be exercised by external agencies, internal committees or internal audit to prevent escalation. Probable limited unfavourable local media coverage. Significant short-term disruption of service performance. Financial Regulations not complied with. Impact on the effectiveness of governance at the Service level. Significant increase on project budget/cost: (more than <b>3 to 6%</b> of the departmental budget). Handled within the team.
 B. Moderate	Injuries / stress requiring some medical treatment, potentially some workdays lost. Some impact on morale and performance. Additional scrutiny required by management and internal committees to prevent escalation. Possible limited unfavourable local media coverage. Short-term disruption of service performance. Financial Regulations occasionally not complied with. Minor impact on the effectiveness of governance or moderate impact at service level. Small increase on project budget/cost: (up to <b>3%</b> of the departmental budget). Handled within the team.
 A. Minor	Minor injuries or stress with no workdays lost or minimal medical treatment. No impact on staff morale Internal Review, unlikely to have impact on the corporate image. Minor errors in systems/operations or processes requiring action or minor delay without impact on overall schedule. Handled within normal day to day routines. Some impact on the effectiveness of governance at service level. Minimal financial loss – Minimal effect on project budget/cost: Negligible effect on total Budget or departmental budget).