



Public Conveniences

Follow up review

**September
2018**



**High
Assurance**

Purpose & Scope of Review

Our original review of Public Conveniences was requested by the Head of Facilities, Assets and Housing to ensure that processes and controls for income collection are robust. We issued a report in March 2018 giving a low assurance rating because of the absence of some fundamental controls including shortcomings with the reconciliation of income collection, staff and cash security, and a lack of written procedures and guidelines for the staff involved.

We have now followed up the action plan included with our report to ensure that the agreed improvements have been made.

Audit Opinion

The Service has worked hard to implement changes in working practices since our original review, through strengthening the income reconciliation process, and improving record keeping so that meter readings are recorded accurately and evidence a clear separation of duties. Additionally, staff and cash security issues have been addressed through utilising lockable cash boxes and increasing staff awareness of income security. Staff have found the changes made to be beneficial, especially with identifying and investigating discrepancies.

Written guidelines have been amended and updated to include key areas of cash collection, counting, banking and reconciliation, with the appropriate templates and Risk Assessment included as appendices.

Due to the completion of the agreed actions – involving stronger controls around income collection, reconciliation and security – we have now increased our assurance rating for this area to High. Therefore, a further follow up will not be required.

High Assurance	Risks and controls well managed and objectives being achieved.
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Action Plan

Audit Follow-up Review of: **Public Conveniences**

Date: **September 2018**

Action Plan Contacts: **Cleaning Manager**

Corporate Risk/Issue Severity Key	
0	Critical – Significant CET and Cabinet intervention
0	Major – intervention by SLT and/or CET with Cabinet involvement
4	Moderate – Containable at service level. Senior management and SLT may need to be kept informed

Root Cause 1	Weak income arrangements		
Underlying Weakness	There is a lack of: <ul style="list-style-type: none"> Reconciliation between expected and actual income collected; Reconciliation between cash collected and banked; Separation of duties between income collection, counting and banking; and Inaccuracies with the recording of meter readings, and the formula used on spreadsheets to calculate the expected income. 		
Action (Ref)	Agreed Management Action	Responsibility & Deadline	Status
1.1	All future discrepancies between expected and actual income are to be reported to the Manager who will investigate/identify how the discrepancy occurred and who will endorse the cash sheet with his/her findings.	Cleaning Manager, 22/02/18	Complete

Follow Up Results	This process is now in place. As facilities do not give change and will accept coinage of a higher value than required the Cleaning Manager has put in an acceptable tolerance of +/- £3. The Admin & Technical Support Officer confirmed that monitoring for discrepancies is now easier.		
1.2	All monies collected are to be banked in full with no rounding down of totals for ease of banking, all monies are to be banked as soon as practicable with none retained in the safe for future banking.	Cleaning Manager, 22/02/18	Complete
Follow Up Results	Income is now banked in full.		
1.3	The actions of collection, counting and banking of monies are to be conducted independently by staff members. No staff member is to collect and count monies, the collection and counting of monies is to be carried out by separate individuals acting independently of one another.	Cleaning Manager, 19/03/18	Complete
Follow Up Results	The collection, counting and banking of income is now carried out independently. Staff involved in the process endorse the cash sheet as a true and accurate record reflecting their involvement in the process.		
1.4	The formula has since been corrected and will be validated periodically to make sure that spreadsheet calculations are accurate. Admin and Support Officer will bring to the attention of the Manager any unexplained anomalies relating to the meter readings, which may come to light during input onto the spreadsheet.	Cleaning Manager, 22/02/18	Complete
Follow Up Results	The formula has been corrected and a process in place for the Admin & Technical Support Officer to check before inputting data onto the spreadsheet.		

Root Cause 2	Lack of comprehensive written procedure and guidelines		
Underlying Weakness	<p>Guidelines are being put in place but these need to be more comprehensive and currently do not cover:</p> <ul style="list-style-type: none"> • Monitoring of income collection; • Reconciliation of income and banking; • Break-ins; • Maintenance; and • Personal and income security. 		
Action (Ref)	Agreed Management Action	Responsibility & Deadline	Status
2.1	<p>Review and update written guidelines, for operational processes involved in income collection. To include but not limited to:-</p> <ul style="list-style-type: none"> • Weekly monitoring and recording of income collection; • Processes for floats and the appropriate level of responsibility; • On an unannounced basis, independent witnesses from other departments will attend during cash collection and counting phases. Once completed s/he will endorse the cash collection register verifying current procedures/policies were followed and that all locks/security seals were present and correct. 	Cleaning Manager, 13/04/18	Complete
Follow Up Results	Written guidelines have recently been updated and now include reconciliation of income, banking and floats. Procedures cover personal security, income security and dealing with break-ins and maintenance.		
2.2	<p>Review and update written guidelines, for operational processes involved in income collection. To include but not limited to:-</p> <ul style="list-style-type: none"> • Reconciliation of income and banking including responsibility and process; • All discrepancies (positive or negative) are to be reported to the Manager so s/he may investigate and endorse their findings on the cash sheet(s). 	Cleaning Manager, 22/02/18	Complete

Follow Up Results	The guidelines are now in place setting out the reporting and investigation procedures should a large discrepancy come to light. The guidelines include a tolerance of +/- £3.		
2.3	Review and update written guidelines, for operational processes involved in income collection. To include but not limited to :- The recording of repairs, maintenance and break-ins. Templates have been created and are to be completed in full following each repair/maintenance/recording of a break in.	Cleaning Manager, 22/02/18	Complete
Follow Up Results	Templates are in place for recording of repairs, maintenance and break-ins. Guidelines state that sheets are to be completed for recording maintenance, repairs, and break-ins and these are included as appendices.		
2.4	Review and update written guidelines, for operational processes involved in income collection. To include but not limited to :- <ul style="list-style-type: none"> • Personal and income security including: <ul style="list-style-type: none"> ○ Transferring income from site to site, ○ Risk assessments, ○ Frequency of change of door codes, ○ Security at attended sites. 	Cleaning Manager, 16/04/2018	Complete
Follow Up Results	There are written guidelines for the collection, counting, banking and handling of cash, and staff are instructed to read the Risk Assessment regarding cash collection and handling. The guidelines cover transfer of income and the completion of cash sheets. The copies of all the templates used for recording cash, meter readings, cash container replacement, recording of maintenance, as well as a copy of the Risk Assessment are included as an appendix with the guidelines. The frequency and requirement for changing door codes has been included. In line with good practice the document is dated and a review date included.		

Root Cause 3	Security of income and employees		
Underlying Weakness	<ul style="list-style-type: none"> • Security of cash during collection periods; • Security of staff at manned sites and during emptying of collection boxes; • Security and reconciliation of floats at manned sites during shift changeover periods. 		
Action (Ref)	Agreed Management Action	Responsibility & Deadline	Status
3.1	The fitting and use of lockable/secured money containers at all public convenience sites (where monies are taken) will provide additional security as the collector/opportunist thieves will not be able to access the monies without considerable effort and inflicting damage to the cash boxes. Cash boxes will be concealed in a holdall whilst transiting between site and vehicle.	Cleaning Manager, 13/05/18	Complete
Follow Up Results	Secure collection boxes are now in use, these can only be opened once back in the office and access to the keys is limited to the Supervisor and Deputy Supervisor. Due to several break-ins at the self-contained, unmanned toilet units (pods) the collection boxes within these pods have been made more secure and break-ins less likely.		
3.2	Staff will receive toolbox talks regarding personal/site security during the collection of cash boxes. All manned sites have CCTV and have been fitted with auto door closing arms and keypads (the codes of which are changed monthly or on change of personnel).	Cleaning Manager, 23/03/18	Complete
Follow Up Results	Toolbox talks have been completed and staff have been made aware of the need for their personal security and the security of the income collected. Attended sites have the boxes changed before opening to the public in the morning. If there is a need to change the boxes during the day, then the sites will be temporarily closed while the income boxes are changed. Manned sites are secure and fitted with CCTV and auto door closing arms; keypad codes are changed monthly or after a change in personnel.		

3.3	At each shift handover the incoming attendant will sign the float register as accurate, the float register is broken down into currency denominations and both off going/incoming attendants countersign the float register as accurate and correct.	Cleaning Manager, 22/02/18	Complete
Follow Up Results	All the float is counted at the shift changeover and this is signed by both the incoming and outgoing attendant.		

Risk Issue 4	Fundamental control weaknesses could result in error/fraud going undetected and also create difficulty prosecuting if there was allegation of potential fraud.		
Underlying Weakness	<p>When all the above risks and root causes are taken into consideration, it raises a potential risk of fraud going undetected. As the service has been the subject of two frauds in recent years, it is important to have robust controls over income and reconciliations to identify the reasons for any income fluctuations at an early stage so that it can be investigated promptly.</p> <p>We are concerned that this is not in place as these issues have been raised previously whilst the Public Convenience team were managed by Environmental Services. Since then, the Public Convenience service has moved to a different service (Facilities, Assets and Housing) and has a dedicated team manager and lead officer.</p>		
Action (Ref)	Agreed Management Action	Responsibility & Deadline	Status
4.1	Internal Audit will follow up the above actions once completed to assess whether action taken has reduced the risk of fraud sufficiently.	Chief Internal Auditor, 30/06/18	Complete
Follow Up Results	All actions have not been completed.		

Report Recipients

- Head of Facilities, Assets and Housing
- Lead Officer – Contracts and Facilities
- Cleaning Manager – South and Public Conveniences
- Lead Officer – Operations & Business Support
- Corporate Director: Economic & Community Ambition
- Lead Member for Finance, Performance & Strategic Assets
- Corporate Governance Committee
- Strategic Planning & Performance Officer

Internal Audit Team

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Key Dates

Follow up review commenced	August 2018
Review completed	August 2018
Reported to Corporate Governance Committee	26 September 2018