

Internal Audit of Parking Income

First Follow Up Review

Purpose & Background Information

Our original review of 'Parking Income' was completed in November 2020 giving a medium assurance rating.

It should be noted that the updated opinion is based on the assumption that systems and controls as previously identified during the original audit remain in operation and are being complied with in practice. The purpose of our follow up exercise is not to retest the operation of controls which have already been assessed, but to review how management has responded to the action plans following our initial work.

Audit Opinion

The audit identified considerable work has been done following the audit, with 5 of the 10 actions have been completed

There have been delays in progressing with some of the actions due to the impact of Covid-19 and resulting pressures that have subsequently been put on the service.

Further discussions are needed to address intervention levels for income discrepancies, a review of SLAs is needed and a mapping exercise is needed to produce written procedures for reconciliation of car park income.

Based on the results of follow up we are providing a 'medium' assurance.

Assurance Rating

Audit Opinion	Rating
At Final Report	Medium ●
At First Follow Up	Medium ●

Progress with Implementing Agreed Actions

Action Risk Rating	Actions Fully Implemented	Actions Not Implemented	Actions Not Yet Due
Critical ●	0	0	0
Major ●	0	0	0
Moderate ●	5	5	0

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Ref	Agreed Action	Issue & Risk	Manager Responsible & Target Date	Follow Up Status and Comments
1.1	Ensure signed copy of contract is uploaded to the Proactis system	Lack of signed contracts places the council at risk should a dispute arise or enforcement action be required Moderate Risk ●	Traffic, Parking and Road Safety Manager 23/10/2020	Complete Copy of signed contract received as evidenced, however procurement state that they did not received a copy therefore not been updated on the corporate contract list due to a miscommunication with procurement. A copy of the signed contract has since been sent to procurement.
2.1	Implement new process for reconciling card payments using data from the pay and display machine back office system, merchant daily reports and CP. New process will be undertaken on a monthly basis.	There is a risk that the council is not receiving all the parking income due whether it be cash, card or pay by phone Moderate Risk ●	Car Parks Officer 30/04/2020 (Complete)	Complete Cash reconciliation is completed monthly. Reports are reconciled every month against the ledger. No issues to date. Due to Covid-19 implications the reconciliation of card payments for May, June, July is yet to be completed. This could pose a risk for the service as any discrepancies would not be identified on a monthly basis.
2.2	Ensure VAT is claimed back for on-street permits and on-street pay and display income, including: cash, card and	There is a risk that the council is not receiving all the parking income due whether it be cash, card	Car Parks Officer 30/11/2020	Completed at time of audit.

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	PayByPhone payments on a monthly basis.	or pay by phone Moderate Risk ●		VAT now correctly calculated. VAT does not have to be paid on on-street machines.
2.3	Decide upon appropriate intervention level over which income discrepancies are investigated.	There is a risk that the council is not receiving all the parking income due whether it be cash, card or pay by phone Moderate Risk ●	Traffic, Parking and Road Safety Manager 30/11/2020	Revised Date - September 2021 Further work to be done, looking at potential tolerances that may be included in the contract or to look at good practice documents for potential tolerance percentage. Any variances on overage or underage against expected income need to be explored to ensure discrepancies can be reconciled.
2.4	Implement monthly reconciliation process for PayByPhone* system <i>*PayByPhone system was implemented in August 2020 after the audit was undertaken*</i>	There is a risk that the council is not receiving all the parking income due whether it be cash, card or pay by phone Moderate Risk ●	Senior Engineer/Car Parks Officer 30/11/2020	Completed A monthly spreadsheet is provided by PayByPhone, listing the income for each car park. This information is matched with the individuals' car park codes within the journal. The service pays transaction fees rather than the customer. The income for each location is recorded (minus the transaction fee) and monitored on a monthly basis.
3.1	Introduce contract monitoring sheet for recording number of	The council could lose out on income should collections not be carried	Car Parks Officer 31/05/2020	Complete

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	collections and amounts collected.	out as set out in the contract Moderate Risk ●	(Complete)	Monthly monitoring is now taking place; monitoring the ticket sequence and the number of collections made.
3.2	Introduce monitoring of collection frequencies by comparing the contract monitoring sheet with the collection schedule.	The council could lose out on income should collections not be carried out as set out in the contract Moderate Risk ●	Car Parks Officer 30/11/2020	Revised Date - October 2021 The number of collections made is sometimes lagging therefore the number of collections will not total correctly until the end of each scheduling term i.e. winter collection schedule. We will review this in October to ensure collections schedule is up-to-date.
4.1	Review SLAs for where, through our agents, we collect cash on behalf of internal and external partners	The Service may not be receiving correct reimbursement to cover their costs Moderate Risk ●	Senior Engineer/ Senior Finance and Assurance Officer 31/03/2021	Revised Date - November 2021 There is currently no SLA in place between DCC and Cathedral and Pavilion. The SLA with Denbighshire Leisure Limited will also need to be reviewed. Loggerheads/Moel Famau/Llantysilio now sit within the same service as the Parking Service and collections form part of the contract. SLA/Contracts not yet updated. Further discussion required.

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4.2	Clarify responsibility for maintenance of Llangollen Pavilion Car Park and ensure costs and that respective SLAs reflect this.	The Service may not be receiving correct reimbursement to cover their costs Moderate Risk ●	Senior Engineer 31/12/2020	Revised date October 2021 Streetscene maintain the Llangollen Pavilion Car Park. Denbighshire Leisure now pay the maintenance costs as they keep 90% of income for the car park. Further follow up required to confirm arrangements as evidence not obtained at time of this follow-up.
5.1	Produce written procedures for reconciliation of car park income for all forms of income i.e. cash, card and PayByPhone.	Absence of written procedures for key processes could result in inconsistent practices, and key tasks not been carried out properly Moderate Risk ●	Traffic, Parking and Road Safety Manager 31/01/2021	Revised Date - March 2022 More machines are being installed, a mapping exercise will then be undertaken to identify new income streams. Further discussion required to produce written procedures.

Report Recipients

- Chief Executive
- Head of Planning, Public Protection & Countryside Services
- Traffic, Parking and Road Safety Manager
- Senior Engineer Traffic Management
- Car Parks Officer
- Finance & Assurance Manager
- Head of Finance and Property Services / Section 151 Officer
- Legal Services Manager
- Strategic Planning and Performance Officer
- Lead Member for Waste, Transport and the Environment
- Lead Member for Finance, Performance & Strategic Assets
- Governance & Audit Committee

Internal Audit Team

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Key Dates

Review commenced	August 2021
Review completed	September 2021
Reported to Governance & Audit Committee	22 September 2021
Proposed date for next follow up review	November 2021