

ITEM 9

AUDIT COMMITTEE

24 SEPTEMBER 2013

IMPROVING HIGHWAYS REPAIRS IN MILTON KEYNES

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1. Purpose

- 1.1 To provide background to assist the Committee in their consideration of the Council's request to undertake a value for money audit on road repair spending since 2011.

2. Recommendations

- 2.1 That the Committee consider and respond to the Council's request to Audit Committee (detailed in 3.1) with the understanding that any such review would be subjective at best and would be unlikely to provide any value to the Council at this time

3. Issues and Choices

- 3.1 At its meeting on 10 July 2013 the Council, in considering a motion with regard to 'Improving the Highway Repairs in Milton Keynes' made the following request to Audit Committee. "That the Audit Committee be requested to undertake a comprehensive value for money audit on all road repair spending since 2011 to establish if funds have been spent effectively". The Committee is asked to consider this request from the Council (Minute CL45 10 July).
- 3.2 It should be noted that from 1st April 2014 this service will be changed completely as it forms part of the Highways Street lighting and Network Infrastructure Maintenance Term Contract for which tenders have now been received. The 20 KPI's to be included in the contract will provide evidenced judgement.
- 3.3 The request from the Council is not clear as to what benefit could be achieved from this work or how the findings could improve processes in the future. It is expected that the contract will be awarded in November therefore the outcomes of any work undertaken could not be used to inform the contract requirements.
- 3.4 Internal Audit have recently undertaken an audit of Highways Inspections which will shortly be finalised. A detailed follow up of this

audit is also due to be undertaken this month. A significant part of this audit focussed on the repair of defects. These reports may address some of the Council's areas of concern.

- 3.5 Findings from the audit included the fact that it was not possible to trace expenditure back to original jobs and also that the data in the Confirm system could not be fully relied upon. Another finding was that there was no way of identifying whether jobs were repeat works i.e. previous repairs were not robust and defects reappeared.
- 3.6 In both the recent and previous audits Internal Audit attempted to do some value for money work in relation to the Planer which was purchased in October 2010, however we were unable to complete this accurately due to the limitations of the data available. The service did attempt to undertake their own review however the data to support the calculations was unavailable. The Planer is no longer being used and there are currently no plans to use it in the near future.
- 3.7 With the systems that have been in place historically the Committee should be aware that any such piece of work would at best be subjective and would divert the service's resources away from their preparations for the new contract .

4 Implications

4.1 Policy

If this work was undertaken by Internal Audit there would be a direct impact on the delivery of the agreed audit plan.

4.2 Resources and Risk

Depending on the scope of the review the cost to outsource this would probably be £20,000 - £40,000.

x	Capital	y	Revenue	x	Accommodation
x	IT	x	Medium Term Plan	x	Asset Management

4.3 Legal

4.4 Other Implications

x	Equalities Diversity	/	x	Sustainability	x	Human Rights
x	E-Government		x	Stakeholders	x	Crime and Disorder