

Final Internal Audit Report

Blue Badges

December 2021

Distribution: Assistant Chief Executive (Interim)
Chief Digital Officer and Director of Resident Access
Head of Resident Contact
Welfare Rights and Income Maximisation Manager
Corporate Director Resources (Interim)

Assurance Level	Issues Identified	
Substantial	Priority 1	0
	Priority 2	3
	Priority 3	1

Confidentiality and Disclosure Clause

This report ("Report") was prepared by Mazars LLP at the request of London Borough of Croydon and terms for the preparation and scope of the Report have been agreed with them. The matters raised in this Report are only those which came to our attention during our internal audit work. Whilst every care has been taken to ensure that the information provided in this Report is as accurate as possible, Internal Audit have only been able to base findings on the information and documentation provided and consequently no complete guarantee can be given that this Report is necessarily a comprehensive statement of all the weaknesses that exist, or of all the improvements that may be required.

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Please refer to the Statement of Responsibility in Appendix 3 of this report for further information about responsibilities, limitations and confidentiality.

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1. Introduction

- 1.1. The Blue Badge (Disabled Persons' Parking) scheme was introduced in 1971 under Section 21 of the Chronically Sick and Disabled Persons Act 1970 ('the 1970 Act'). Local authorities are responsible for the day-to-day administration and enforcement of the scheme. They are responsible for determining and implementing administrative, assessment and enforcement procedures which they believe are in accordance with the governing legislation.
- 1.2. It is the responsibility of each local authority to ensure that badges are only issued to residents who satisfy one or more of the eligibility criteria (as updated by the Disabled Persons (Badges for Motor Vehicles) (England) (Amendment) Regulations 2019 (S.I. 2019 No. 891) on 30 August 2019 to include 'hidden' disabilities) set out in the legislation that governs the scheme. Under no circumstances should anyone who does not satisfy at least one of the criteria receive a badge.
- 1.3. A BBC news article (dated 7 January 2021) on non-visible disabilities highlighted the disparity between approvals of blue badges for those with physical impairments and those that came under the non-visible disability. To resolve and reduce the disparity would be to ensure that there are robust training process and programmes in place. This would confirm that staff understood the new entitlement. (Refer <https://www.bbc.co.uk/news/uk-55221474>)
- 1.4. For the period 1 April to 30 November 2020, the Council issued 1,111 new blue badges and 1,917 blue badge renewals.
- 1.5. The audit was undertaken as part of the agreed Internal Audit Plan for 2020/21 based on a risk assessment. The objectives, approach and scope are contained in the Audit Terms of Reference at Appendix 1.

2. Key Issues

Priority 2 Issues

The Service's training schedule and matrix showed that on average team members were only confident on 68% of their tasks and that, for four of the tasks, only one member of staff (out of 6) felt confident. **(Issue 1)**

Although 18 of the 58 completed appeals since 1 April 2020 resulted in overturned decisions, no formal lessons learned exercises were being conducted. Furthermore, the time taken to achieve appeal outcomes for 15 of the appeals was greater than 28 days, with the longest taking 74 days. **(Issue 2)**

No qualitative performance measures were in place and monitored. **(Issue 3)**

The priority 3 item is included under item 4 below.

Control Area 2: Training and Staff Qualifications

Priority	Action Proposed by Management	Detailed Finding/Rationale - Issue 1				
2	<p>The Officers have their specialist areas and are 100% confident on these areas. Training matrix was introduced to cross train all members over time to be able to do each and every task. Pandemic, reduction in 3 FTE staff on the Team and all working from home has slowed down the cross training, but zero risk to output of work and team operating now with no backlogs across all work streams. Cross Training will restart in summer 2021 and due for full completion by March 2022. Having all staff able to do all 68% of all tasks should be seen as a major success not an audit concern!!!!</p>	<p>In order to help achievement of desired objectives, help staff comply with legislative, organisational and management requirements and help ensure consistency of approach, appropriate staff training should be in place.</p> <p>It was confirmed that a training schedule and a training matrix for 2020/21 were in place for the Service. These detailed the tasks that staff are required to undertake and scored the training needs of each staff member on a percentage basis, with 100% being fully trained and confident and 0% lacking total confidence. Examination of the training schedule found that the average overall score for the Service was 68%, with the highest score being 86% and lowest score being 38% (for a relatively new staff member). For four of the tasks, only one (out of the six) staff member was confident of their ability to conduct these.</p> <p>Where staff are not fully trained and confident in their daily tasks, there is a risk that these tasks are not properly conducted, errors are made and staff are inefficient. There may also be a risk to business continuity where only specific staff can conduct certain tasks.</p>				
	<table border="1"> <thead> <tr> <th>Responsible Officer</th> <th>Deadline</th> </tr> </thead> <tbody> <tr> <td>Welfare Rights and Income Maximisation Manager</td> <td>March 2022</td> </tr> </tbody> </table>	Responsible Officer	Deadline	Welfare Rights and Income Maximisation Manager	March 2022	
Responsible Officer	Deadline					
Welfare Rights and Income Maximisation Manager	March 2022					

Control Area 4: Assessment, Processing and Outcome of Blue Badge Applications

Priority	Action Proposed by Management	Detailed Finding/Rationale - Issue 2
2	<p>Staff panels were set up early 2020 where complex and appeal cases were discussed by Manager and Officers to better learn from each other, so totally do not agree that no learning takes place. Will formalise this process with paperwork moving forward. Also shows that appeal process is fair as some do get overturned, which demonstrates it is not a tick box exercise and each case reviewed on its merit. Not reflected that major legislation changes took place in 2020, so would expect some appeals to be overturned due to staff learning all the new complex legislation, again for this reason, this is why staff panels were set up. Worth noting the longer appeal times were mainly due to residents needing extra time to provide medical evidence we have asked them if they wanted to get. Not easy getting medical evidence, even more so in a pandemic period. There have been 1 or 2 cases where we did take a long time to assess/review</p>	<p>The Council’s website details that, ‘Service users have the right to appeal within the time limit of 28 days against applications that have been turned down.’ ‘This appeal is considered by the senior manager / officer in the travel service team and should not be the officer who dealt with the original application.’ ‘Their decision will be sent out in writing to the appellants’ home address though copies can be sent electronically in addition to the original letter. In normal circumstances we would respond within 28 working days of any appeal being heard.’</p> <p>Examination at the time of audit of the spreadsheet used to monitor appeals noted that since 1 April 2020 there have been a total of 58 completed appeals made, of which:</p> <ul style="list-style-type: none"> - 40 had the original decision upheld, and - 18 had the original decision overturned. <p>No lessons learned exercises were available to demonstrate that the instances where the decisions were overturned had been analysed and actions put in place to help prevent similar occurrences.</p> <p>It was also noted that time taken to achieve appeal outcomes for 15 of the appeals was greater than 28 days, with the longest taking 74 days. No formal monitoring of the time to achieve appeal outcomes was in place.</p> <p>Where formal lessons learned exercises are not taken on overturned decisions, there is a risk that the Service does not improve and continues to make incorrect decisions. Where appeal outcomes are not achieved in a timely manner, there is a greater risk of public dissatisfaction.</p>

Blue Badges 2020/21

	and appeal from December 2019 – July 2020 but these were rare exceptions at a time of multiple change and challenge for the team – much more robust since.	
Responsible Officer	Deadline	
Welfare Rights and Income Maximisation Manager	December 2021	

Priority	Action Proposed by Management	Detailed Finding/Rationale - Issue 3				
2	Noted and will put in place although timescales and performance targets are discussed in every 121 between Team Manager and Service Manager and Service Manager and Head of Service. (Proof was provided) Will add a line to dashboard about all the current timescales so it is monitored every month on the dashboard to start from the new year.	<p>In order to help monitor the Service and the efficiency and effectiveness of the team, appropriate performance targets should be in place, which are regularly monitored.</p> <p>While, it was confirmed that a monthly report on the number of 'Blue badge renewals', 'Blue badge new' and 'Blue badge refused', 'Freedom pass approved', 'Freedom pass renewed' and 'Taxi card approved' was produced, no qualitative performance measures were in place and monitored, (such as the time taken to process new applications, the number of appeals and the percentage of overturned appeals).</p> <p>Where appropriate qualitative performance measures are not in place and monitored, there is a risk that the effectiveness and efficiency of the Services cannot be appropriately monitored.</p>				
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Priority 3 Issue

Agreed action	Findings
<p>Noted and we always undertake NFI exercises when the data in the system gets released. TuO has been very effective in informing us of deceased cases as well and will continue to us this process.</p>	<p>In order to help prevent the use of blue badges belonging to deceased users, a message is included on the Council’s website that, <i>‘If a badge holder has died, please cut the badge in half and send it to the address below. Please include a short note that will allow us to update our records accordingly.’</i> The Team also maintain dedicated e-mail box for ‘Deceased notifications’ and a member of staff is assigned to access ‘TellUsOnce’ two/three times a week to monitor for any newly deceased users.</p> <p>Discussion; however, established that information on deceased users was not always fully captured and therefore going forward the team intend to incorporate the National Fraud Initiative (NFI) checks and also access the register of Births, Deaths and Marriages held at the Town Hall.</p>

AUDIT TERMS OF REFERENCE

Blue Badges

1. INTRODUCTION

- 1.1 The Blue Badge (Disabled Persons' Parking) Scheme was introduced in 1971 under Section 21 of the Chronically Sick and Disabled Persons Act 1970 ('the 1970 Act'). The aim of the scheme is to help people with severe mobility problems caused by visible and non-visible ('hidden') disabilities to access goods and services, by allowing them to park close to their destination. The scheme is open to eligible people irrespective of whether they are travelling as a driver or as a passenger. A blue badge holder can also park free of charge for up to three hours on any single or double yellow line, unless there are restrictions such as loading and unloading ban.
- 1.2 Local authorities are responsible for the day-to-day administration and enforcement of the scheme. They are responsible for determining and implementing administrative, assessment and enforcement procedures which they believe are in accordance with the governing legislation. Whatever the local arrangements, it is important that there is effective communication between the teams that issue blue badges and those that conduct on-street enforcement.
- 1.3 It is the responsibility of each local authority to ensure that badges are only issued to residents who satisfy one or more of the eligibility criteria (as updated 30th August 2019) set out in the legislation that governs the scheme. Under no circumstances should anyone who does not satisfy at least one of the criteria receive a badge.
- 1.4 All members of staff who deal regularly with applicants and badge holders should be included in the local authority's Disability and Equality Awareness training programme. Such training will help staff to understand the importance of the scheme to those who may rely upon it to access goods and services.
- 1.5 The regulations governing the Blue Badge scheme give local authorities the discretion to charge a fee on the issue of a badge. This fee cannot exceed £10.

2. OBJECTIVES AND METHOD

- 2.1 The overall audit objective is to provide an objective independent opinion on the adequacy and effectiveness of controls / processes.
- 2.2 The audit will for each controls / process being considered:
 - Walkthrough the processes to consider the key controls;
 - Conduct sample testing of the identified key controls, and
 - Report on these accordingly

3. SCOPE

- 3.1 This audit included the following areas (and issues raised):





Blue Badges 2020/21

Control Areas/Risks	Issues Raised		
	Priority 1 (High)	Priority 2 (Medium)	Priority 3 (Low)
Legislative, Organisational, Management Requirements	0	0	0
Training and Staff Qualifications	0	1	0
Inventory Control of Blue Badges	0	0	0
Assessment processing and outcome of Blue Badge application	0	2	0
Return and Replacement of Lost and Stolen including renewal of badges	0	0	1
Total	0	3	1

Definitions for Audit Opinions and Issues Raised

In order to assist management in using our reports:

We categorise our **audit assurance opinion** according to our overall assessment of the risk management system, effectiveness of the controls in place and the level of compliance with these controls and the action being taken to remedy significant findings or weaknesses.

	Full Assurance	There is a sound system of control designed to achieve the system objectives and the controls are constantly applied.
	Substantial Assurance	While there is basically a sound system of control to achieve the system objectives, there are weaknesses in the design or level of non-compliance of the controls which may put this achievement at risk.
	Limited Assurance	There are significant weaknesses in key areas of system controls and non-compliance that puts achieving the system objectives at risk.
	No Assurance	Controls are non-existent or extremely weak, leaving the system open to the high risk of error, abuse and reputational damage.

Priorities assigned to issues raised are based on the following criteria:

Priority 1 (High)	Fundamental control weaknesses that require immediate attention by management to action and mitigate significant exposure to risk.
Priority 2 (Medium)	Control weakness that still represent an exposure to risk and need to be addressed within a reasonable period.
Priority 3 (Low)	Although control weaknesses are considered to be relatively minor and low risk, still provides an opportunity for improvement. May also apply to areas considered to be of best practice that can improve for example the value for money of the review area.

Statement of Responsibility

We take responsibility to the London Borough of Croydon for this report which is prepared on the basis of the limitations set out below.

The responsibility for designing and maintaining a sound system of internal control and the prevention and detection of fraud and other irregularities rests with management, with internal audit providing a service to management to enable them to achieve this objective. Specifically, we assess the adequacy and effectiveness of the system of internal control arrangements implemented by management and perform sample testing on those controls in the period under review with a view to providing an opinion on the extent to which risks in this area are managed.

We plan our work in order to ensure that we have a reasonable expectation of detecting significant control weaknesses. However, our procedures alone should not be relied upon to identify all strengths and weaknesses in internal controls, nor relied upon to identify any circumstances of fraud or irregularity. Even sound systems of internal control can only provide reasonable and not absolute assurance and may not be proof against collusive fraud.

The matters raised in this report are only those which came to our attention during the course of our work and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made. Recommendations for improvements should be assessed by you for their full impact before they are implemented. The performance of our work is not and should not be taken as a substitute for management's responsibilities for the application of sound management practices.

This report is confidential and must not be disclosed to any third party or reproduced in whole or in part without our prior written consent. To the fullest extent permitted by law Mazars LLP accepts no responsibility and disclaims all liability to any third party who purports to use or rely for any reason whatsoever on the Report, its contents, conclusions, any extract, reinterpretation amendment and/or modification by any third party is entirely at their own risk.

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