

Final Internal Audit Report

Parking CCTV

August 2018

Distribution: Executive Director of Place (Final only)
 Director of Safety
 Operations Manager
 CCTV Operations Manager, Traffic

Assurance Level	Recommendations Made	
Substantial Assurance	Priority 1	0
	Priority 2	1
	Priority 3	0

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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Executive Summary

1. Introduction

- 1.1 Penalty Charge Notices (PCNs) are issued to motorists for breaking traffic or parking regulations. PCNs are usually issued by the Council's Civil Enforcement Officers and placed on the vehicle, however, contraventions may also be recorded by a camera operator, via Closed Circuit Television Video (CCTV).
- 1.2 Payment methods for PCNs include:
 - Phone;
 - Post;
 - PayPoint / Post Office; and
 - Online.
- 1.3 All parking appeals must be made in writing or online according to parking legislation. At the start of the online appeal process for a parking infringement, the applicant will be shown photos of how the said vehicle was parked.
- 1.4 The London Borough of Croydon does not have a vehicle removal service.
- 1.5 This audit was undertaken as part of the agreed Internal Audit Plan for 2018/19 and the objectives, methodology and scope are contained in the Audit Terms of Reference at Appendix 1.

2. Key Issues

Priority 2 Issues

Although the business continuity plan highlighted a dependency on several suppliers, the business continuity plans for these suppliers had not been verified and the plan did not detail what arrangements were in place should there be a business continuity issue with these (**Issue 1.**)

3. Actions and Key Findings/Rationale

<u>Control Area 5: Information Management</u>		Detailed Finding/Rationale – Issue 1
Priority	Action Proposed by Management	
2	3.6 is completed and the BCP for the external company concerned was sent over with my BCP but the boxes did not get completed on 3.6. I am still waiting on one area from a supplier to close down their area on the BCP.	<p>Business continuity plans help to avoid and mitigate risks associated with disruption of operations. It details the steps to be taken before, during and after a disruption event to maintain the operational viability of the organisation.</p> <p>It was confirmed that a 'CCTV Traffic Unit business continuity plan' was in place; however, examination of the plan (dated 16 May 2018) noted that, although section 3.6 detailed that there was dependency on several suppliers, confirmation of these suppliers business continuity arrangements had not occurred. The business continuity plan did not detail the arrangements the Service had in place for business continuity issues with these suppliers.</p> <p>Where appropriate business continuity arrangements are not in place for key suppliers, there is a risk that should an event occur that the Service would not be able to resume in a timely manner or that this may not occur without additional expense.</p>
Responsible officer	Deadline	
CCTV Operations Manager, Traffic	September 2018	

TERMS OF REFERENCE

CCTV Parking

1. INTRODUCTION

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- 1.5 This audit is being undertaken as part of the agreed Internal Audit Plan for 2018/19.

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 The audit included the following areas:

Control Areas/Risks	Issues Identified		
	Priority 1 (High)	Priority 2 (Medium)	Priority 3 (Low)
Legislative, Organisational and Management Requirements	0	0	0
Issue of PCNs	0	0	0
Signage and Notices	0	0	0
Appeals and Challenges	0	0	0
Information Management	0	1	0
TOTAL	0	1	0

DEFINITIONS FOR AUDIT OPINIONS AND RECOMMENDATIONS

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 consistently 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 which may put this achievement at risk.
	Limited Assurance	There are significant weaknesses in key areas of system controls and/or non-compliance that puts achieving the system objectives at risk.
	No Assurance	Controls are non-existent or weak and/or there are high levels of non-compliance, leaving the system open to the high risk of error or abuse which could result in financial loss and/or reputational damage.

Priorities assigned to recommendations are based on the following criteria:

Priority 1 (High)	Fundamental control weaknesses that require the immediate attention of management to mitigate significant exposure to risk.
Priority 2 (Medium)	Control weakness that represent an exposure to risk and require timely action.
Priority 3 (Low)	Although control weaknesses are considered to be relatively minor and low risk, action to address still provides an opportunity for improvement. May also apply to areas considered to be of best practice.

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.

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