



OFFICER REPORT TO LOCAL COMMITTEE (MOLE VALLEY)

**INTERNAL AUDIT OF THE KNOLL ROUNDABOUT IMPROVEMENT SCHEME AND
EPSOM ROAD, LEATHERHEAD SHARED FOOTWAY AND CYCLEWAY SCHEME
(FUNDED BY DEVELOPER CONTRIBUTIONS 'SECTION 106 AGREEMENTS')**

07 DECEMBER 2010

KEY ISSUE

An Internal Audit review was requested to determine the reasons for the increase in costs for the above scheme, to establish if these were reasonable and identify any improvements that are required to enhance management of future works and costs. The Internal Audit report which sets out the detailed findings from this review is attached at Annexe A.

SUMMARY

A number of changes to the management and reporting of expenditure of Section 106 monies were agreed by the Local Committee at its meeting on 13 September 2010. The audit has identified further remedial actions for management and also a need for the Local Committee to make public any decision it has made as to the intended future use of the Epsom Road site.

OFFICER RECOMMENDATIONS

The Local Committee (Mole Valley) is asked to:

- (i) Note the contents and conclusions of the Internal Audit report and management's response.
- (ii) Consider at a forthcoming meeting the future use of the Epsom Road site and make any decision public.

INTRODUCTION AND BACKGROUND

At its meeting on 24 June 2009 Mole Valley Local Committee was asked to agree a package of works to be undertaken in Leatherhead funded from developers' contributions under Section 106 of the Town and Country Planning Act 1990. Amongst the package was a scheme for a shared footway and cycleway on

Epsom Road Leatherhead including works to the Knoll Roundabout. Concerns were voiced by the Committee when final costs for the scheme were reported to be more than double the estimate originally provided when approval was sought. Internal Audit were asked to examine the scheme and, in particular, to establish the reasons for the increased costs and ascertain if these appeared to be reasonable.

SUMMARY OF FINDINGS

- (i) The original report to Mole Valley Local Committee was based on incomplete information regarding the true scope and costs of the scheme.
- (ii) After commencement additional works were identified in order that the scheme could achieve its desired outcome. Having received explanations from the engineer we are satisfied that these were necessary and that it was these additional works which accounted for the increased costs of the scheme.
- (iii) Scheme management appears to have been less than adequate with safety audits not taking place in all cases.
- (iv) Management of communication with the public was poor.

FINANCIAL AND VALUE FOR MONEY IMPLICATIONS

There are none.

EQUALITIES AND DIVERSITY IMPLICATIONS

There are none.

CRIME AND DISORDER IMPLICATIONS

There are none.

CONCLUSIONS AND RECOMMENDATIONS

A Management Action Plan has been agreed with officers to address the recommendations set out in the Internal Audit report at Annexe A, and progress towards its implementation will be monitored by Internal Audit through a follow up review.

REASONS FOR RECOMMENDATIONS

Corrective measures have been agreed with the officers concerned and will be monitored.

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BACKGROUND PAPERS

Internal Audit Report

Version No.

Date:

Time:

Initials:

No of annexes:1