

Audit	Background to review	Key findings	Audit opinion (1)	Recommendations for improvement (Priority) (2)
<p>Civil Parking Enforcement 2016/17</p>	<p>The County Council delegates responsibility for the management of its statutory on-street parking function to the district and borough councils via Agency Agreements.</p> <p>Where a surplus is generated, Agency Agreements determine that this is shared between SCC, the district / borough and the relevant Local Committee. Where a deficit is recorded, the district / borough bear the financial risk.</p> <p>The audit was carried out following concerns about the accuracy of financial returns from some district / borough councils.</p>	<p>The audit identified a number of weaknesses in present SCC procedures, with some significant concerns in relation to financial returns submitted by Reigate &amp; Banstead Borough Council (RBBC).</p> <p>In particular:</p> <p>The requirement that all boroughs / districts have their annual returns subject to audit verification prior to submission to SCC has not been enforced or met for the life of the present Agency Agreements (2013-date)</p> <p>Audit testing identified that some financial information submitted by RBBC (who also administer on-street parking for Tandridge district) was inaccurate. There was no evidence to support any of the indirect costs submitted for the Tandridge return for 2015/16. The Local Committee had been supplied with inaccurate information which may have impaired the scrutiny and decision making process.</p> <p>An inconsistent methodology for apportioning costs between on-street (SCC) and off-street (district / borough) parking was noted for all areas reviewed, with little evidence that SCC officers were monitoring this appropriately.</p> <p>A number of other areas of non-compliance with the Agency Agreements were noted (in relation to information required to be submitted, reporting of income written off, timeliness of the transfer of funds and KPIs).</p>	<p>Significant Improvement Needed</p>	<p>Management should ensure that audit certification of annual financial returns is undertaken by boroughs and districts prior to submission to the County Council. <b>(H)</b></p> <p>Management should review all accounts submitted by RBBC (in respect of both RBBC and TDC) under the present Agency Agreement to gain assurance that they have been fairly and accurately stated. Management should consider whether the results of this audit necessitate an urgent review of the parking enforcement activities carried out by RBBC. <b>(H)</b></p> <p>Management should consider, as part of the review of Agency Agreements, stipulating that fixed cost apportionment is accurate and based on actual figures wherever possible. <b>(H)</b></p> <p>Management should review the terms of the Agency Agreements and perform an exercise to ensure that all boroughs / districts are fully compliant. <b>(M)</b></p>

<sup>1</sup> Audit Opinions

<b>Effective</b>	Controls evaluated are adequate, appropriate, and effective to provide reasonable assurance that risks are being managed and objectives should be met.
<b>Some Improvement Needed</b>	A few specific control weaknesses were noted; generally however, controls evaluated are adequate, appropriate, and effective to provide reasonable assurance that risks are being managed and objectives should be met.
<b>Significant Improvement Needed</b>	Numerous specific control weaknesses were noted. Controls evaluated are unlikely to provide reasonable assurance that risks are being managed and objectives should be met.
<b>Unsatisfactory</b>	Controls evaluated are not adequate, appropriate, or effective to provide reasonable assurance that risks are being managed and objectives should be met.

<sup>2</sup> Audit Recommendations

**Priority High (H)** - major control weakness requiring immediate implementation of recommendation

**Priority Medium (M)** - existing procedures have a negative impact on internal control or the efficient use of resources

**Priority Low (L)** - recommendation represents good practice but its implementation is not fundamental to internal control