

REPORT TO: Audit and Governance Committee

MEETING DATE: 22 March 2016

BY: Depute Chief Executive – Resources & People Services

SUBJECT: Internal Audit Report – Home to School Transport

1 PURPOSE

- 1.1 To inform the Audit and Governance Committee of the recently issued audit report on Home to School Transport.

2 RECOMMENDATION

- 2.1 That the Audit and Governance Committee note the contents of the Executive Summary and Action Plan.

3 BACKGROUND

- 3.1 A review of Home to School Transport was undertaken as part of the audit plan for 2015/16 – the review has focused on the tendering, evaluation and awarding of contracts to operators.
- 3.2 The main objective of the audit was to ensure that the internal controls in place were operating effectively.
- 3.3 The main findings from our audit work are outlined in the attached report.

4 POLICY IMPLICATIONS

- 4.1 None

5 EQUALITIES IMPACT ASSESSMENT

- 5.1 This report is not applicable to the well being of equalities groups and Equality Impact Assessment is not required.

6 RESOURCE IMPLICATIONS

6.1 Financial - None

6.2 Personnel - None

6.3 Other - None

7 BACKGROUND PAPERS

7.1 None

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DATE	10 March 2016

EAST LOTHIAN COUNCIL – INTERNAL AUDIT HOME TO SCHOOL TRANSPORT

1. EXECUTIVE SUMMARY

1.1 Introduction

A review of Home to School Transport for Mainstream and Additional Support Needs pupils was undertaken as part of the Audit Plan for 2015/16. A summary of our main findings is outlined below.

1.2 Areas where Expected Controls were Met

- The Council has adequate arrangements in place to meet its statutory obligations for the provision of Home to School transport in accordance with the Education (Scotland) Act 1980.
- Detailed Corporate Procurement Procedures are in place to provide guidance to staff with responsibility for procurement.
- The tendering process for Home to School transport was undertaken on the Public Contracts Scotland e-tendering system.

1.3 Areas with Scope for Improvement

- There was a failure to ensure that the procedures set out in the Invitation to Tender had been properly followed. *Risk – the Council may be left open to challenge.*
- There was a failure to prepare a Members' Library report as required by the Corporate Procurement Procedures – Members were not advised of the awards made for both Mainstream and Additional Support Needs transport. *Risk – failure to comply with procedures.*
- No formal record was maintained of the evaluation panel meetings and of award decisions made. *Risk – lack of a clear audit trail.*
- There was a lack of adequate checking procedures in place to ensure that details contained in the award letters were accurate and complete. *Risk – errors and anomalies may occur and remain undetected.*
- There was a lack of procedures in place clearly setting out how routes would be re-allocated where capacity issues were identified with the winning tenderer. *Risk – failure to demonstrate best value.*

1.4 Summary

Our review of Home to School transport for Mainstream and Additional Support Needs pupils has identified a number of areas with scope for improvement. Detailed findings and recommendations are contained in our main audit report.

Mala Garden
Internal Audit Manager

March 2016

**EAST LoTHIAN COUNCIL – INTERNAL AUDIT
HOME TO SCHOOL TRANSPORT**

ACTION PLAN

PARA REF	RECOMMENDATION	GRADE	RESPONSIBLE OFFICER	AGREED ACTION	RISK ACCEPTED/ MANAGED	AGREED DATE OF COMPLETION
3.3.1	Management should ensure that all awards made for both Mainstream and Additional Support Needs transport are reported to Members in accordance with the Corporate Procurement Procedures – a Members' Library report should be submitted detailing the awards made.	Medium	Service Manager – Transport	Agreed – a report will be prepared and submitted following the next tendering exercise in 2017.		July 2017
3.5.3	Management should ensure that the procedures set out in the Invitation to Tender are properly followed – late tenders should not be accepted.	High	Service Manager – Transport	Agreed		March 2016
3.6.1	Management should ensure that a clear audit trail exists of all key stages in the tender evaluation process – a formal record should be maintained of the evaluation panel meetings and of all award decisions made.	Medium	Service Manager – Transport	Agreed		March 2016

PARA REF	RECOMMENDATION	GRADE	RESPONSIBLE OFFICER	AGREED ACTION	RISK ACCEPTED/ MANAGED	AGREED DATE OF COMPLETION
3.7.1	<p>Management should ensure that all additional routes are subject to a proper tendering process.</p> <p>Management should ensure that procedures are in place clearly setting out how routes will be re-allocated where capacity issues are identified with the winning tenderer.</p>	High	Service Manager – Transport	<p>Agreed, however requests at short notice may be awarded through the Taxi Services Contract and after assessment the tender process will be followed.</p> <p>Route assessment sheets to be completed for each requirement of re-allocation.</p>		March 2016
3.7.2	Management should ensure that appropriate checks are undertaken on the accuracy and completeness of the details contained in the award letters sent to operators.	Medium	Service Manager – Transport	Agreed		March 2016

Grading of Recommendations

In order to assist Management in using our reports, we categorise our recommendations according to their level of priority as follows:

Level	Definition
High	Recommendations which are fundamental to the system and upon which Management should take immediate action.
Medium	Recommendations which will improve the efficiency and effectiveness of the existing controls.
Low	Recommendations concerning minor issues that are not critical, but which may prevent attainment of best practice and/or operational efficiency.