



Internal Audit Final Report

Play Areas

Directorate: Education Leisure and Community Services
Date: September 2006

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1. Introduction

- 1.1 An audit of the Play Areas was carried out as part of the internal audit plan for 2005/06.
- 1.2 Due to an inspection by the Health and Safety Executive that highlighted the use of concrete, tarmac or other surfaces below/surrounding play equipment, a review of the Authority's refurbishment programme was conducted and proposals drafted on the way forward. The HSE's objective was the reduction; to an acceptable level the inherent risks in the Authority's play areas.
- 1.3 At the meeting of the Cabinet held on the 3rd of November 2004 a resolution was made to support the recommendation for a 3 year refurbishment and rationalisation plan. Finance would be sought from the Authority's capital allocation to part fund the programme
- 1.4 Additional funding was sought from the Cymorth Fund and from partnership arrangements with Town and Community Councils.
- 1.5 The HSE have stipulated a requirement that any refurbishment programme identified by the Authority should be completed by October 2006.
- 1.6 The plan approved by the Authority spans 3 financial years in funding terms, and, based on the availability of finance, refurbishments will not be completed until early in the financial year 2007/08. This will mean that the play areas identified in the last year of the programme will be closed for 6 months or so before they are refurbished and the HSE advised of this course of action.
- 1.7 The claimed position of the project at the time of the audit is that 76% of Children's play areas meet current standards. The refurbishment of play areas that require attention has to date been restricted by negotiations with Town/Community Councils resulting in the ad hoc procurement of play areas.

2. Objectives of the Audit

- 2.1. The main objectives of the audit were to evaluate the following:
 - To evaluate the programme of replacement/ upgrade / removal of play areas for completeness, timeliness and appropriate cost control.
 - To examine the project management of the programme to ensure BCBC objectives are met.
 - To review the system in place to receive contributions from Community Councils.
 - To examine the procurement strategy and its implementation to ensure compliance with legislation, regulations and the promotion of value for money.

3. Summary and Audit Opinion

- 3.1. The audit recognises the progress made by BCBC staff associated with the Play Area project
- 3.2. During the audit, consultation with BCBC staff involved in the play area project revealed a number of control weaknesses and associated risks that will have implications for the future management of the project. Ultimately BCBC have the option of closing those play areas that do not meet HSE standards by the October 2006 deadline, although this option is likely to be unpopular with Town/Community Councils that have an agreed refurbishment plan. The overall opinion on assurance given by existing controls is **inadequate** based on the details below.
- 3.3. The following “Fundamental” issue was identified during the audit, which impacted on the overall opinion of the controls in place. This was:
 - There was no evidence of combined detailed planning of tenders, potential contributions, funding allocation and expected work completion etc that allowed comparison or management review
- 3.3. Three significant recommendations have been made. These include
 - The need for an up to date strategy and business plan to guide the project.
 - Documented procedures for play area refurbishments.
 - An audit trail on decision making.
- 3.4. There have been other recommendations made, which include one off occurrences of failures in control, which may be due to one off errors or weaknesses in the system. These are detailed in the main report and categorised in the accompanying action plan, as “Merits Attention”.
- 3.6. This audit report is a report of exception and therefore only where issues have been identified at the time of the audit have they been commented upon.

Acknowledgement

- 3.7. A number of staff gave their time and co-operation during the course of this review. We would like to record our thanks to all of the individuals concerned.

4. FINDINGS AND RECOMMENDATIONS

The **objective** column details the objective of the system being reviewed.

Risk may be viewed as the chance, or probability, of one or more of the organisation's objectives not being met. It refers both to unwanted outcomes which might arise, and to the potential failure to realise desired results.

The **recommendations** column is categorised on the following basis:

- Fundamental* - action that is considered imperative to ensure that the organisation is not exposed to high risks;
- Significant* - action that is considered necessary to avoid exposure to significant risks;
- Merits attention* - action that is considered desirable and should result in enhanced control or better value for money.

4.1 Programme Evaluation

No	Objective	Potential Risk	Test Result	Recommendation	Categorised as:
4.1.1	To evaluate the programme of replacement/ upgrade / removal of play areas for completeness, timeliness and appropriate cost control	That the programme fails due to lack of guidance	Policy and Strategy Documentation is dated November 1998 Approval of the current plan of refurbishment was given in November 2004.	The strategy and resultant business plan needs to be updated and should include a needs analysis The strategy should include consideration of packaging more than one refurbishment into each contract to possibly secure better value for money and a more predictable work programme.	Significant

No	Objective	Potential Risk	Test Result	Recommendation	Categorised as:
4.1.2		That subsequent scrutiny of closures reveals the process to be unfair	That the factors that contribute to the decision made to remove/refurbish play areas are not documented to enable comparison or review	That the decisions/factors made to remove/refurbish play arrears is documented to enable comparison or review	Merits Attention
4.1.3		That costs increase over previous design/supply/fit contracts	That cost advantages of using in house design or future departmental design are not evaluated for cost/benefit	That decision to use in house design is evaluated within a cost benefit exercise	Merits Attention

4.2 Project Management

No	Objective	Potential Risk	Test Result	Recommendation	Categorised as:
4.2.1	To examine the project management of the programme to ensure BCBC objectives are met.	That work is not done within the time frame That senior management are unable to assess status of work	There was no evidence of combined detailed planning of tenders, potential contributions, funding allocation and expected work completion etc that allowed comparison or management review	Appropriate project management processes should be adopted.	Fundamental
4.2.2		The project fails due to lack of guidance	Procedural documents are in draft form/incomplete	Procedural documents for play areas are completed	Significant

4.3 Procurement Strategy

No	Objective	Risk	Test Result	Recommendation	Categorised as:
4.4.1	To examine the procurement strategy and its implementation to ensure compliance with legislation, regulations and the promotion of value for money	That contracts are awarded unfairly and without accountability	That the play value assessment forms used to determine who the contracts are awarded to are not signed by the person(s) making the judgement.	That the play value assessment forms are amended to include signature and date fields of the officers making the decision	Significant

5.1 Management Action Plan

Rec. No.	Recommendation	Para. No.	Categorisation	Agreed	Management Comments	Officer Responsible	Date Pto be implemented
1.	Appropriate project management processes should be adopted	4.2.1	Fundamental	√	The principle of this recommendation is fully accepted, however, management arrangements of this type are resource hungry. These implications are not always addressed when such management processes are recommended for adoption.	GE	August 2006
2.	The strategy and resultant business plan needs to be updated and should include a needs analysis The strategy should include consideration of packaging more than one refurbishment into each contract to possibly secure better value for money and a more predictable work programme.	4.1.1	Significant	√	Policy/Strategy needs to be updated in light of changes approved in 2004. Variation in contract packaging has already been implemented. There was no benefit in terms of value for money – same type and extent of schemes were provided at the same budget values. In addition this approach strictly limited variety of schemes produced i.e. same manufacturer producing the designs, same range of equipment used. Whilst value for money is an important aspect an equally important objective of play provision is play value and variety of play provision. There has been a need to rotate contractors invited to tender to achieve both objectives. .	GE	August 2006 Done
3.	Procedural documents for play areas are completed	4.2.2	Significant	√			N/A
4.	That the play value assessment forms are amended to include signature and date fields of the officers making the decision	4.4.2	Significant	√	Done	GE	N/A
5.	That the decisions/factors made to remove/refurbish play arrears is documented to enable comparison or review	4.1.2	Merits Attention	X	The parameters were documented in reports to committee and lists provided for approval.	-----	N/A

Rec. No.	Recommendation	Para. No.	Categorisation	Agreed	Management Comments	Officer Responsible	Date Pto be implemented
6.	That the decision to use in house design is evaluated within a cost benefit exercise	4.1.3	Merits Attention	√	In House design has been used and continues to be used – whilst it offers best opportunities for innovative/individual designs, the limitation on the availability of staff resources in this and other Directorates and given the scale of the annual commitment - play areas to be refurbished annually, it is not possible to exclusively follow this route for every scheme. There are no cost benefits through following the in-house design route – in fact there are hidden and unquantified/unrecorded staff costs.	GE	N/A

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