

Report

Governance & Audit Committee

Part 1

Date: 26 January 2023

Subject **Unsatisfactory Audit Opinion
Governance & Audit Committee Call In
Passenger Transport Unit (PTU) – Taxi Contracts Follow Up**

Purpose For Members of the Council's Governance & Audit Committee to:

- i) Consider the explanations and assurances provided by the Strategic Director and the Head of Service responsible for Passenger Transport Unit (PTU) – Taxi Contracts that improvements have been made in service provision following 2 consecutive Unsatisfactory audit opinions.

Author Andrew Wathan Chief Internal Auditor

Ward General

Summary Following 2 consecutive **Unsatisfactory** Internal Audit opinions, the Strategic Director and the Head of Service responsible for Passenger Transport Unit (PTU) – Taxi Contracts have been invited into Governance & Audit Committee to provide assurances that appropriate improvements within service provisions and the control environment have been made.

Proposal That Members of the Governance and Audit Committee

- i) accept the explanations and assurances of the Strategic Director and the Head of Service, which will be confirmed via the second follow up internal audit

or
- ii) don't accept the explanations and assurances provided and escalate concerns to the Chief Executive and Executive Board.

Action by Governance & Audit Committee

Timetable Immediate

This report was prepared after consultation with:

- Chief Financial Officer
- Monitoring Officer
- Head of People, Policy & Transformation

Signed

Background

Original Report	1 st Follow up audit	2 nd Follow up audit due
Unsatisfactory	Unsatisfactory	
Final issued February 2020	Draft issued June 2022 Not finalised January 2023	Q1 2023/24

1. The Public Sector Internal Auditing Standards requires the Chief Internal Auditor to present a formal annual report to the Governance & Audit Committee which includes audit opinions issued and to disclose any qualifications to the overall opinion.
2. The Strategic Director and the Head of Service responsible for Passenger Transport Unit (PTU) – Taxi Contracts have been invited into Governance & Audit Committee to:
 - a) Explain why there were weaknesses in control
 - b) Provide assurances on the progress of the implementation of the agreed management action taken to demonstrate improvement in the control environment
 - c) Include a timeline as appropriate
3. The original Internal Audit (IA) review of Passenger Transport Unit (PTU) -Taxi Contracts was undertaken as part of the 2019/20 IA Plan. Although the draft report was issued in August 2019, due to ongoing discussions with the Team Manager PTU, the final report was not issued until February 2020, with an **Unsatisfactory** audit opinion.
4. The follow up audit was included within the 2021/22 IA Plan; the audit brief was agreed by service management in February 2022. Audit work was undertaken between February and May 2022 with a draft report issued to the Team Manager PTU and the Senior Strategy Manager in June 2022. The follow up audit opinion was **Unsatisfactory**, as most of the original weaknesses identified in the report had not been addressed and management had not taken sufficient action to address those issues.
5. The main weaknesses identified from the follow up audit are shown at Appendix 1. The action plan showing management comments and progress to date (January 2023) is shown at Appendix 2.
6. Management comments for the follow up audit were initially received in August 2022. In the main the Team Manager PTU either didn't accept the weaknesses identified from the audit, blamed other services for the lack of action, said some contracts were too difficult to input onto his system, said other systems were in place for managing key records, couldn't take action as he didn't have sufficient staff resources, said checks had been carried out but failed to provide the relevant evidence, said the audit was misleading, didn't have time to raise purchase orders in advance or said staff had attended training when evidence showed they hadn't.

7. With regard key documents being held on another system or spreadsheet or further evidence to support action taken to address the original weakness, the auditor requested this information but it was not forthcoming. The matter was therefore escalated by IA through Senior Management to the Executive Board and the Strategic Director in order that further evidence of action taken be provided and to obtain assurance that action would be taken to address the weaknesses identified.
8. Concerns were reported into the Governance & Audit Committee October 2022 meeting outlining the key issues identified from the follow up audit of the PTU – Taxi Contracts.
9. Due to ongoing discussions with senior and service management this report is still in draft status and has not yet been finalised. Further management comments from the Head of Service were received in January 2023; the revised action plan noted at Appendix 2 has been updated to reflect these comments and have replaced the Team Manager PTU’s original comments. These were more constructive than the original comments provided and will help to finalise the report. These comments now accept the weaknesses identified from the follow up audit review and in most cases state that appropriate action has subsequently been taken to address the concerns.
10. The Summary of Weaknesses, the Action Plan and categorisation of weaknesses reflects the audit work undertaken during the follow up review prior to key officers not being in work.

Original Weakness Rating	No. of Original Weaknesses	No. of New Weaknesses	No. of Weaknesses Fully Implemented	No. of Outstanding Weaknesses
Critical	0	0	n/a	n/a
Significant	20	1	5	10
Moderate	6	Not tested	Not tested	5

The original review identified 20 weaknesses considered to be of a significant nature. A review of these identified that at the time of the audit testing:

- 5 had been fully implemented (1 of which further action is required and 1 of which requires ongoing monitoring),
- 12 had been partially implemented, and
- 3 had not been implemented.

Of the 15 weaknesses which had been partially or not implemented, our audit identified 10 of these outstanding to be of a *significant* nature and 5 were *moderate* weaknesses.

There was also a new weakness rated as significant identified as part of the audit findings.

Financial Summary

11. There are no financial issues related to this report.

Risks

12. If management action is not taken to improve the control environment and increase service delivery resilience, service users may not receive an efficient and effective service, the number of complaints may increase and could lead to reputational damage.

Risk	Impact of Risk if it occurs* (H/M/L)	Probability of risk occurring (H/M/L)	What is the Council doing or what has it done to avoid the risk or reduce its effect	Who is responsible for dealing with the risk?
Poor internal controls could impact on effective and efficient service delivery, increase in complaints from service users and negative impact on reputation	M	M	The Strategic Director has agreed a way forward to support service delivery. Internal Audit will undertake a further follow up audit within 6 months to verify that agreed action has been taken to improve service delivery.	Strategic Director

* Taking account of proposed mitigation measures

Links to Council Policies and Priorities

13. Giving management assurance on systems in operation gives them confidence that there is sound financial management in place, that more effective services can be provided and the risk of theft, fraud and corruption is minimised. Better service provision, looking after the public pound makes our City a better place to live for all our citizens, hence Improving People's Lives.

Options Available

14. This is a factual progress report and therefore there are no specific options to be considered; there are no decisions to be made further to the proposals noted above.
15. Members of the Governance & Audit Committee are asked to either accept the assurances from the Strategic Director and Head of Service or refer their concerns onto the Chief Executive.

Preferred Option and Why

16. Members of the Governance & Audit Committee to decide.

Comments of Chief Financial Officer

17. I can confirm that I have been consulted and have no additional comments

Comments of Monitoring Officer

18. There are no specific legal issues arising from the report. As part of its role in monitoring the effectiveness of the Council's systems of internal control and financial management,

Governance & Audit Committee oversee the implementation and outcomes of the internal audit programme and, where necessary, can review and make recommendations regarding unsatisfactory audit reports. The Committee can seek assurances on the adequacy of responses to internal audit advice, findings and recommendations and will monitor implementation and compliance with agreed action plans. In this case, there have been consecutive unsatisfactory audits in relation to the administration of the Passenger Transport Unit (PTU) – Taxi Contracts and the relevant Head of Service and Strategic Director have been invited to attend the meeting to explain the situation and outline the management action that will be taken to address the issues concerned. If the Governance & Audit Committee are not satisfied with the management responses and there are considered to be residual risks in terms of the Passenger Transport Unit (PTU) – Taxi Contracts processes, then the Committee can escalate those concerns through to the Chief executive and the Executive Board. As these unsatisfactory audit reports relate to operational management issues, then it is not considered appropriate for any concerns to be escalated through the Cabinet or Cabinet Member as they do not involve strategic policy issues.

Comments of Head of People, Policy and Transformation

19. As part of the Well-being of Future Generations Act (2015) and its corporate governance arrangement it is necessary to ensure that the Council's functions are operating effectively and efficiently to manage its governance, internal control and risk management arrangements in the delivery of the Corporate Plan and its statutory duties. This report presents a review of the Internal Audit activity during the period concerned and the outcomes of completed audit reviews. There are no direct human resources impact from this report.

Local issues

20. N/A

Scrutiny Committees

21. N/A

Equalities Impact Assessment and the Equalities Act 2010

22. The Equality Act 2010 contains a Public Sector Equality Duty which came into force on 06 April 2011. The Act identifies a number of 'protected characteristics', namely age; disability; gender reassignment; pregnancy and maternity; race; religion or belief; sex; sexual orientation; marriage and civil partnership. The new single duty aims to integrate consideration of equality and good relations into the regular business of public authorities. Compliance with the duty is a legal obligation and is intended to result in better informed decision-making and policy development and services that are more effective for users. In exercising its functions, the Council must have due regard to the need to: eliminate unlawful discrimination, harassment, victimisation and other conduct that is prohibited by the Act; advance equality of opportunity between persons who share a protected characteristic and those who do not; and foster good relations between persons who share a protected characteristic and those who do not. The Act is not overly prescriptive about the approach a public authority should take to ensure due regard, although it does set out that due regard to advancing equality involves: removing or minimising disadvantages suffered by people due to their protected characteristics; taking steps to meet the needs of people from protected groups where these differ from the need of other people; and encouraging people

from protected groups to participate in public life or in other activities where their participation is disproportionately low.

23. All audits are undertaken in a non-discriminatory manner and key equalities issues identified under the scope of the audits will be identified as part of the audit reports and management discussions. As this is a report on the call-in relating to audit opinions there is no requirement for an Equalities Impact Assessment. All audits are undertaken in a non-discriminatory manner.

Children and Families (Wales) Measure

24. N/A

Wellbeing of Future Generations (Wales) Act 2015

25. The role of Internal Audit supports the Council in complying with the principles of the Wellbeing Act and providing assurance on the activities undertaken across the Council. In compiling this report the principles of this Act have been considered:

Long term - The Internal Audit workload is based on an annual operational plan supported by a 5 year strategic plan that is aligned to the Council's Corporate Plan.

Prevention - Internal Audit identify strengths and weaknesses within the control environment of Newport City Council; addressing the weaknesses gives management the opportunity of preventing gaps in service provision getting worse. This should also minimise the potential for fraud, theft, loss or error.

Integration - Internal Audit opinions provide an objective opinion on the adequacy of the Council's corporate governance, internal control and risk management environment in operation and support sound stewardship of public money.

Collaboration - Internal Audit work in collaboration with operational managers to develop an appropriate action plan in order to address identified concerns.

Involvement - Heads of Service and Senior Managers are invited to contribute to the audit planning process each year in order to prioritise audit resources. The involvement of the Governance & Audit Committee provides assurance and oversight of an effective internal audit provision to carry out its duties.

Consultation

26. N/A

Background Papers

27. 2021/22 Approved Internal Audit Plan.

Appendix 1

SUMMARY OF OUTSTANDING WEAKNESSES June 2022

The tables below summarise the outstanding individual weaknesses identified during the follow up review.

RATING	DESCRIPTION	TOTAL IDENTIFIED DURING REVIEW
CRITICAL	Major risk to the system.	0
SIGNIFICANT	Unacceptable risk.	11
MODERATE	Risk partially mitigated but should still be addressed.	5

Ref.	CRITICAL
	No critical weaknesses were identified during this follow-up audit.

Ref.	SIGNIFICANT
1.01	The CTX system did not record all contracts / taxi usage across the Authority. Multiple and inconsistent records were used to monitor the various contracts.
1.02	The CTX database was not fully up-to-date with accurate operator licences and insurances. Dates of birth were missing for some drivers which resulted in the system reporting the driver was underage.
1.03	There were expired DBS checks and training for drivers and escorts recorded on the CTX database.
2.10	Taxi escorts were not required to submit any form of photo identification along with their DBS check.
2.11	Adequate driving licence checks were not undertaken prior to the award of contracts to ensure that drivers were appropriate.
2.11 (New)	A taxi company with previous offences relating to unlicensed drivers was operating on contract work. The DBS and driving licence checks for the contracted driver was not updated / renewed (as this was a historical arrangement) and there was no reference to the offences and consideration of the contract continuation on the CTX system.
2.12	Purchase orders were not always raised in advance of the first taxi journey taking place and did not record the agreed journey cost. Purchase order justification box did not reference the ITT number to highlight market testing undertaken.

Ref.	SIGNIFICANT
2.14	The monitoring system in place for Social Services / Corporate taxi contract arrangements required improvement. Key information was not recorded.
2.16	The details of the taxi driver / escorts were not always provided to the schools / social worker making the booking.
3.07	Employees within the PTU team have not attended Information Security training and the required Financial Regulations refresher training.
3.08	Absence recording in iTrent was not always input correctly and in a timely manner. Return to work discussions were not always recorded in the iTrent system.

Ref.	MODERATE
2.08	Taxi request forms were not always authorised by an appropriate officer in line with the requirements as set out on the form.
2.09	Copies of DBS certificates were sometimes uploaded onto eTender Wales.
2.13	Invoices received from taxi companies did not always contain adequate information.
3.06	Quality assurance checks had not been undertaken for the taxi contracts. The Taxi Licensing team required an updated school's contract list in order to assist with the undertaking of checks.
3.09	The formal agreement in place between Newport City Council and Monmouthshire County Council had yet to be strengthened with the development of a job description and job specification as indicated. The stated period of the original agreement had passed and should be considered for review.

Appendix 2

Extract of Agreed Action Plan June 2022 / update of current progress January 2023 - Passenger Transport Unit (PTU) – Taxi Contracts Follow Up

Original Report Ref.	Original Weakness & Agreed Management Action	Status, Findings & Outstanding Weakness (June 2022)	Further Management Action to Address Outstanding Weakness (January 2023)	By Who	By When
1.01	<p>Original Weakness: The CTX system was not being used to its maximum potential and was not used to record all contracts / taxi usage across the Authority.</p>	<p>Not Implemented</p> <p>Findings: The Team Manager – Passenger Transport Unit confirmed that the system continued to be operated as per the methods observed during the original audit review, frequent changes to Social Services contracts made it difficult to maintain contract information in the CTX system.</p>	<p>The long-term solution to this weakness is the uploading of CTX to the cloud with additional features that will facilitate expeditious updating of files, especially when routes /times/ destinations change sometimes daily.</p>		
	<p style="text-align: center;"><i>(Significant)</i></p> <p>Agreed Management Action: It is not a viable option currently to put Social Services or Corporate Services contracts onto CTX due to the nature of them as they change regularly, are generally short term and to do this we would require more resources which we do not have a budget for.</p> <p>We are developing a more robust budget spreadsheet to be able to forecast spend for social services. We will speak with Shaunsoft [suppliers of CTX] to see if there is a social services module that would be able to keep the information in a different way without it being admin intensive.</p> <p>Implementation Date: March 2020</p>	<p>Budget spreadsheets were provided which were used to ensure monthly payments are recorded. However, a review of the Social Services spreadsheet indicated that it was maintained retrospectively following the receipt of invoices. It was also noted that the document did not include information such as contract references and duration to allow the contracts to be monitored effectively.</p> <p>The SRS team indicated that there were plans to update CTX to cloud based software during the 2022/23 financial year. The Senior Passenger Transport Officer advised that this would allow the software to be updated</p>	<p>SRS have now completed this upgrade (5/12/22)</p> <p>Staffing Staff resource has been deployed to ensure this weakness is addressed.</p> <p>Records are now uploaded onto the new system, with more robust recording of contract data demonstrated as follows:</p> <p>Although Social Services often do not know how long a contract will be required for, requisition forms received from Social Services will have the estimated duration that transport will be required, which will enable an estimated cost and duration to be recorded when the contract is awarded.</p>	<p>PTU Team Manager (RC) / SRS</p> <p>PTU Team Manager (RC)</p>	<p>Implemented</p> <p>Implemented</p>

		<p>to a more recent version and would include improved features.</p> <p>Outstanding Weakness: The CTX system did not record all contracts / taxi usage across the Authority. Multiple and inconsistent records were used to monitor the various contracts.</p> <p style="text-align: center;">(Significant)</p>	<p>This will be updated where the actual duration of the contract differs from the original estimate when confirmed by Social Services.</p> <p>Although contracts are recorded under purchase order number within the PTU, which is sufficient for monitoring by the team, a separate numbering system has been implemented on the cloud-based system to address this weakness.</p>		
1.02	<p>Original Weakness: The CTX database was not fully up-to-date with accurate operator, vehicle or driver details. Sufficient information was not available to support the drivers used on specific contracts.</p> <p style="text-align: center;">(Significant)</p> <p>Agreed Management Action: An agency member of staff has been employed to go through the data on CTX to ensure it is accurate and all required information is held.</p> <p>Implementation Date: March 2020</p>	<p>Partially Implemented</p> <p>Findings: A sample of 5 operators selected for testing, identified 4 operators where the Public Liability and Employer Liability policies had expired. There was also 1 with a noted expired Operator's Licence, however the Auditor was able to verify this was in place using the public register of licenses available on the Authority's website.</p> <p>An overall review of the 40 operators noted on CTX identified the following:</p> <ul style="list-style-type: none"> • 14 (35%) Operator Licenses had expired, • 28 (70%) Public Liability Insurance checks had expired, 	<p>The long-term solution to this weakness is the uploading of CTX to the cloud with additional features that will facilitate expeditious updating of files and enable a proactive response by staff by automatically flagging upcoming expirations.</p> <p>SRS have now completed this upgrade (5/12/22)</p> <p>Additional staff resource has been deployed to ensure this weakness is addressed.</p> <p>Expiry of documents is a daily occurrence due to the numbers of contracts and has been extremely difficult to resource.</p> <p>Staffing levels within the PTU have been evaluated to ensure services can be maintained and a business</p>	PTU Team Manager (RC) / SRS	Implemented

		<ul style="list-style-type: none"> 31 (78%) Employers Liability Insurance checks had expired. <p>A review of a sample of operators confirmed that vehicles, drivers and passenger assistants were recorded against each operator.</p> <p>A review of the current driver records identified 3 drivers aged 11 (96 inappropriately aged drivers identified in the original review). The Senior Passenger Transport Officer advised this occurred where a driver did not have a date of birth recorded on the system.</p> <p>Outstanding Weakness: The CTX database was not fully up-to-date with accurate operator licences and insurances. Dates of birth were missing for some drivers which resulted in the system reporting the driver was underage.</p> <p style="text-align: center;">(Significant)</p>	<p>case prepared for additional permanent resource.</p> <p>Current levels of expired documents have been reduced to normal operational levels.</p> <p>Missing dates of birth for drivers which resulted in automatic system default dates being entered have all been addressed.</p>	<p>PTU Team Manager (RC)</p> <p>PTU Team Manager (RC)</p>	<p>Implemented</p> <p>Implemented</p>
1.03	<p>Original Weakness: There was a high proportion of incorrect information and expired DBS checks for drivers and escorts recorded on the CTX database.</p> <p style="text-align: center;">(Significant)</p>	<p>Partially Implemented</p> <p>Findings: A review of the CTX database highlighted that there were now considerably less drivers (currently 309 down from 942 during the original review) and escorts recorded (currently 211</p>	<p>The long-term solution to this weakness is the uploading of CTX to the cloud with additional features that will facilitate expeditious updating of files and enable a proactive response by staff by automatically flagging upcoming expirations.</p>		

	<p>Agreed Management Action: We are cleansing the system to remove any unused drivers.</p> <p>We will send out reports to operators to identify any out of date information and will update this onto the CTX system accordingly to ensure staff that are being used have in date information and checks.</p> <p>Training records have now been updated and added to the CTX database.</p> <p>Implementation Date: March 2020</p>	<p>from 309 during the original review) demonstrating there had been some work undertaken to update the records.</p> <p>The following was found;</p> <ul style="list-style-type: none"> 71 / 309 (18%) of drivers recorded on CTX had an expired DBS check. 22 of these were over 6 months overdue with expiry dates ranging back to February 2021 and 1 entry expired May 2012. <p>[date of audit Mar 2022]</p> <ul style="list-style-type: none"> 126 / 309 (32%) of drivers were recorded as having expired training. 101 of these were over a year overdue with expiry dates noted back to 2011. 49 / 211 (23%) of escorts recorded on CTX had an expired DBS check. 28 of these were over 6 months overdue with expiry dates ranging back to February 2021. 66 / 211 (31%) of escorts were recorded as having expired training. 36 of these were over a year overdue with expiry dates noted back to 2012. <p>Outstanding Weakness: There were expired DBS checks and training for drivers and escorts recorded on the CTX database.</p>	<p>SRS have now completed this upgrade (5/12/22)</p> <p>All documents are now consistently updated on CTX and have been reduced to normal weekly operational levels.</p> <p>Escort & Driver training is completed, and the data base updated as training is completed.</p>	<p>SRS / PTU Team Manager (RC)</p> <p>Licencing Team / PTU Team Manager (RC)</p>	<p>Implemented</p> <p>Implemented</p> <p>Implemented</p>

		<i>(Significant)</i>			
2.10	<p>Original Weakness: Taxi escorts were not required to submit any form of photo identification along with their DBS check.</p> <p style="background-color: yellow;"><i>(Significant)</i></p> <p>Agreed Management Action: We will look at how this could be achieved by having photos from escorts and then printing ID badges.</p> <p>Implementation Date: September 2020</p>	<p>Not Implemented</p> <p>Findings: It was confirmed with the Team Manager – Passenger Transport Unit that no progress had been made against this weakness. They advised that the Covid-19 pandemic had prevented this process from being developed due to working from home and social distancing practices which limited access to the Civic Centre and other bases.</p> <p>Audit were able to confirm that a similar process of verifying photo IDs had continued to operate by the Licensing Team within the Authority despite the pandemic.</p> <p>The Senior Passenger Transport Officer advised that this would be progressed in 2022/23 as working practices and attendance at the Civic Centre resumed.</p> <p>Outstanding Weakness: Taxi escorts were not required to submit any form of photo identification along with their DBS check.</p> <p style="background-color: yellow;"><i>(Significant)</i></p>	<p>The issuing of escort identification badges has been rolled out as part of the escort training sessions with the Licencing team, with photographs being obtained as part of the session.</p>	<p>Licencing Team / PTU Team Manager (RC)</p>	<p>Implemented</p>

2.11	<p>Original Weakness: Taxi contracts were awarded despite not all the required information / supporting documents being submitted to support the tender submission.</p> <p style="text-align: center;"><i>(Significant)</i></p> <p>Agreed Management Action: We would not award a contract without the information. I have asked for the DPS to be changed as it is not practical for an operator to submit multiples of documents when we already hold records of them.</p> <p>MOT checks are now undertaken on the .gov website by us prior to award. We will ensure these checks are documented.</p> <p>In terms of the driving licence checks, we are currently looking at a system used in other Local Authorities (including MCC), which allows real time checks to be completed by scanning the licences. This system would also automatically alert us to any issues for our known drivers. Further discussion on this will be held with Fleet Management and the Head of Service.</p> <p>Implementation Date:</p>	<p>Partially Implemented</p> <p>Findings: Adequate driving licence checks were not being carried out for drivers carrying out the contract work.</p> <p>It was noted that during the COVID-19 19 pandemic the PTU had purchased a Davis Licence check system to be able to undertake automated checks of driving licences but advised they had been unable to utilise or operate the system due to COVID-19 restrictions.</p> <p>It was noted that the team could have checked driving licences using a share code process (as operated by the Insurances and Licencing Teams during the pandemic) but had not done so.</p> <p>It was evident that in the main other required documentation was provided as requested in the tender specification. An exception was observed for itt_86424 where the driver and escorts were changed from those originally stated and no supporting documentation was provided.</p> <p>For the contract tenders sampled, MOT checks were documented on the CTX system or a copy of the MOT pass</p>	<p>Additional staff resource will be deployed and fully trained on the Davis System to ensure best use of available systems.</p> <p>In the interim, all driver licence checks are being undertaken and recorded both at point of contract award and on expiration.</p> <p>Full utilisation of the Davis system will be achieved following training of key staff.</p> <p>Fxxxxxxx Ltd continue to hold an operator's licence and currently undertake contracts for both Caerphilly CBC and Newport.</p> <p>The operator has two current contracts with Newport, with both contracts fully compliant and all documents fully checked.</p> <p>The unlicensed driver raised in the audit did not work on current Newport City Council contracts.</p> <p>The offences identified within the Caerphilly CBC contract (prior to 2019) would not be sufficient to exclude this operator from tendering for Newport contracts as the operator licence was not revoked.</p> <p>The drivers on current contracts are fully compliant.</p> <p>As per the recommendation, a note has been placed against this</p>	<p>PTU Team Manager (RC)</p> <p>PTU Team Manager (RC)</p>	<p>Implemented</p> <p>Mid February 2023</p> <p>Implemented</p>
------	---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	-----------------------------------------------------------	----------------------------------------------------------------

	<p>March 2020 / September 2020</p>	<p>certificate was held on the eTender Wales system.</p> <p>The sample selected for testing also identified an historical taxi contract in place (prior to the use of eTender Wales) awarded to Fxxxxxxx Ltd. Checks should have been undertaken on a regular basis and recorded via the CTX system however, the driving licence check had not been documented since November 2019 and the DBS check was last documented in December 2018 and outstanding at the time of the audit testing (April 2022). It was noted that in August 2019 the driver had been found guilty of offences relating to the operation of their taxi company by Caerphilly CBC which had not been acknowledged on the CTX system despite the team being aware. The contract continued to operate during this period.</p> <p>Outstanding Weakness: Adequate driving licence checks were not undertaken prior to the award of contracts to ensure that drivers were appropriate.</p> <p>New Weakness: A taxi company with previous offences relating to unlicensed drivers was operating on contract work. The DBS and driving licence check for the contracted</p>	<p>operators file, acknowledging the offence.</p>	<p>PTU Team Manager (RC)</p>	
--	------------------------------------	-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	---------------------------------------------------	------------------------------	--

		<p>driver was not updated / renewed (as this was a historical arrangement) and there was no reference to the offences and consideration of the contract continuation on the CTX system.</p> <p><i>(Significant)</i></p>			
2.12	<p>Original Weakness: Purchase orders were not always raised in advance of the first taxi journey taking place. Full justification for the taxi booking and evidence of the use of the DPS or further market testing being undertaken was not available / recorded.</p> <p><i>(Significant)</i></p> <p>Agreed Management Action: This is not always practical or possible with social services contracts as they are ad hoc and we have to wait for their officers to approve them. They are always raised in time for the invoices to come in. We will look to improve the timescales but they may not all get done before the contract starts due to the short timescales that some requests are made under.</p> <p>Further Audit Comment: It is noted that due to emergency arrangements some requests may come into</p>	<p>Not Implemented</p> <p>Findings: A review of the i-Proc system highlighted that for all orders examined, these were raised retrospectively following the first taxi journey being undertaken. There were also instances observed where the date the order was raised was later than the date of the first corresponding invoice from the operator. It was also noted that the PO detail did not include the agreed price, which would be useful information to remind the supplier of the contract price and the budget holder of the commitment per journey when authorising.</p> <p>The requisitions (justification box) did not record the unique ITT reference numbers or titles used on the DPS database to allow a cross check to take place to the system. This detail would help identify historical booking arrangements that precede the DPS and provide an audit trail.</p>	<p>We will endeavour to raise purchase orders in a timely manner and ensure the journey cost is recorded.</p> <p>The team will now record the ITT number within the requisition justification box confirming the requisition had been tendered via e-Tender Wales.</p>	PTU Team Manager (RC)	Implemented / Ongoing

	<p>the team at short notice, however, a purchase order should be raised as soon as possible thereafter.</p> <p>We use the justification box to ensure that the approver knows what social worker asked for the transport and initials of who it is for. The team will now record the ITT number within the justification box confirming the requisition had been tendered via e-Tender Wales.</p> <p>Implementation Date: January 2020</p>	<p>Outstanding Weakness: Purchase orders were not always raised in advance of the first taxi journey taking place and did not record the agreed journey cost. Purchase order justification box did not reference the ITT number to highlight market testing undertaken.</p> <p><i>(Significant)</i></p>			
2.14	<p>Original Weakness: There was no monitoring system in place detailing Social Services / Corporate taxi contract arrangements. Consequently there was currently no way of identifying outstanding taxi costs (per contract) at the end of the financial year.</p> <p><i>(Significant)</i></p> <p>Agreed Management Action: We have put in place a new spreadsheet to enable us to forecast spend in place of the current spreadsheet.</p> <p>We do not hold the budget for these contracts (unlike Education Contracts). We do not get asked for the</p>	<p>Partially Implemented</p> <p>Findings: The spreadsheet in place for recording social service contracts did not include the unique contract reference, ITT number, start date or end date of contract. The spreadsheet was completed retrospectively with the details from the invoices received and passed for payment.</p> <p>The document operated like a recurring payments spreadsheet but without the contract details, it would not highlight the value / number of invoices still outstanding on the contract for the current financial year / contract period.</p>	<p>Social Services spreadsheet updated to meet the requirements of the audit.</p> <p>The inconsistency of process between Educational and Social Services is due to the way transport is procured by the two service areas.</p> <p>Educational are fixed transport contracts which can easily be quantified and managed per term by the unit.</p> <p>The unpredictable and often urgent need for Social Services transport and frequent daily changes of times/ routes/ destinations, present challenges for the unit.</p> <p>However, team resource has been deployed and, together with</p>	PTU Team Manager (RC)	Implemented

	<p>information although we will now keep this and we will inform the social services accounts team when requested.</p> <p>Implementation Date: Completed</p>	<p>It was noted that there continued to be an inconsistency of processes within the PTU team between education and social service contract monitoring.</p> <p>Outstanding Weakness: The monitoring system in place for Social Services / Corporate taxi contract arrangements required improvement. Key information was not recorded.</p> <p style="text-align: center;">(Significant)</p>	<p>improved notifications / authorisations from Social Services this weakness has been addressed.</p>	<p>PTU Team Manager (RC)</p>	<p>Implemented</p>
<p>2.16</p>	<p>Original Weakness: Information regarding taxi drivers and escorts provided to Schools / NCC establishments was not sufficient.</p> <p style="text-align: center;">(Significant)</p> <p>Agreed Management Action: The team will be reminded that the names of drivers and escorts need to be provided to the social worker / School who book the transport.</p> <p>As per weakness ref 2.10, we will investigate the issuing of photo ID cards to escorts.</p> <p>Implementation Date: November 2019 September 2020</p>	<p>Partially Implemented</p> <p>Findings: The notification of driver and escort details provided to the schools and social workers regarding taxi bookings was inconsistent. Examples of notifications to schools provided by the Team showed that a detailed document was shared with Maes Ebbw School including driver and escort details. However, notification to other educational establishments referenced new journeys and changes to driver but did not include any further detail that would allow the school to ensure the child was travelling with the correct driver.</p> <p>Where a taxi was arranged via social services the requesting officer was notified of the</p>	<p>Driver, escort and operator information is now provided in the same detail to all schools.</p> <p>The social worker who books the transport will also continue to receive the information when transport is confirmed.</p>	<p>PTU Team Manager (RC)</p>	<p>Implemented</p>

		<p>company undertaking the contract but not always the details of the driver. It was also confirmed with the Senior Passenger Transport Officer that it was up to the requesting officer to then share this information with any NCC schools or relevant establishments.</p> <p>Outstanding Weakness: The details of the taxi driver / escorts were not always provided to the schools / social worker making the booking.</p> <p style="text-align: center;">(Significant)</p>			
3.07	<p>Original Weakness: Staff within the PTU have not attended Information Security Training and have not attended Financial Regulations training for more than 10 years.</p> <p style="text-align: center;">(Significant)</p> <p>Agreed Management Action: Staff have been booked on courses for Financial Regulations and Contract Standing Orders as well as the PTU Manager.</p> <p>We are also booking Information Security training for all the staff.</p> <p>The Transport Surveyor (DW) is also booking risk assessment</p>	<p>Partially Implemented</p> <p>Findings: Information Security and Financial Regulations training had been undertaken by some of the employees within the Passenger Transport Team.</p> <p>The following exceptions were observed;</p> <ul style="list-style-type: none"> • 3 employees from the original review have not attended Information Security training, • 2 employees from the original review and 1 new employee have not attended Financial Regulations training, 	<p>The following training has been completed for all staff:</p> <p>Information Security Training – 12/01/23</p> <p>Financial Regulations – 10/01/23</p>	<p>PTU Team Manager (RC) / Newport City Council Internal Training Provider</p>	<p>Implemented</p>

	<p>and health and safety refresher courses.</p> <p>Implementation Date: March 2020</p>	<ul style="list-style-type: none"> • 2 fixed term employees had not attended Financial Regulations and 1 of these has not attended Information Security training, <p>Outstanding Weakness: Employees within the PTU team have not attended Information Security training and the required Financial Regulations refresher training.</p> <p><i>(Significant)</i></p>			
3.08	<p>Original Weakness: A sickness absence was identified which had not been input onto the iTrent HR & Payroll System and a Return to Work Discussion form was not completed. The PTU Manager did not have access to iTrent Manager Self Service.</p> <p><i>(Significant)</i></p> <p>Agreed Management Action: The PTU Manager did not have access to iTrent but this has now been rectified.</p> <p>All sickness returns and return to work forms were sent by internal mail to HR/Payroll previously.</p> <p>Implementation Date:</p>	<p>Partially Implemented</p> <p>Findings: iTrent Manager Self Service access was now available to the Team Manager – Passenger Transport Unit and Senior Passenger Transport Officers.</p> <p>A review of the iTrent system identified that instances of sickness absence had been recorded. However, during the initial meetings of the follow up review the Team Manager – Passenger Transport Unit indicated there were a number of sickness absences affecting the resources of the team. A review of iTrent evidenced that these absences had not been recorded. The Senior Passenger Transport Officer had expressed there had</p>	<p>Absence recording and return to work interviews are up to date and are now undertaken in a timely manner.</p>	<p>PTU Team Manager (RC)</p>	<p>Implemented</p>

	Completed	<p>been issues with the level of access to the system and absences were completed retrospectively once access was resolved.</p> <p>It was noted that an absence referenced during December 2021 for employee 150540 had not been input into the system as of March 2022. This was raised with the Senior Passenger Transport Officer on the 17/03/22.</p> <p>For the absences recorded it was also noted that a Return to Work discussion had not been documented for employee 120209 for an absence ending in January 2021.</p> <p>Issues were also identified regarding a maternity leave absence (December 2021) which had not been input. This was raised with the Team Manager – Passenger Transport Unit and rectified.</p> <p>Outstanding Weakness: Absence recording in iTrent was not always input correctly and in a timely manner. Return to work discussions were not always recorded in the iTrent system.</p> <p>(Significant)</p>			
--	-----------	-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	--	--	--

