

CAR PARKS – EXECUTIVE SUMMARY –

Introduction

An internal audit review was undertaken in 2009 of the council operated car parks within East Devon

Timesheets for Civil Enforcement Officers (CEO)

A review of a sample of 15 timesheets revealed that in one case there was an incomplete audit trail with a risk that the CEO ended his shift before the time stated on this timesheet.

Machine Revenue

Revenue obtained from the various auto slot pay and display machines is collected by Contract Security Services Limited. The security company count the money and then deposit the total in the council's bank account.

During a reconciliation of this system it was noted that the amounts banked by the contractors differed to the amounts collected. After enquiry we ascertained that this was because of the large amounts of counterfeit coins in circulation. The following weaknesses came to light:

- No evidence is available to the Council to verify that the coins collected by the contractor were actually counterfeit.
- No evidence is available to support the amount of coins that were sent to the Royal Mint for destruction.

There is a risk that the contractors could be underbanking and retaining the excess cash. With no evidence of the coinage being sent for destruction the Council has no way of verifying this.

Re-imbursments received

The Council's Car Parking service has identified that we have received three re-imbursments from the contractors in respect of counterfeit £1 coins totalling £1,741 (all during 2009), this leaves a total amount of underbanking of £6,064.

We further understand that Royal Mint does not provide receipts, they simply send back to the counting houses any valid coins, and consequently the Council has to accept that the contractor is re—imbursing all monies due to us.

Internal Audit recommended firstly, that the contractor is invited to the Council to discuss these issues and secondly, that the Council's insurers may be able to recompense the Council for the lost income. After discussion with our insurers however, it was found that the Council is not covered for this loss.

Conclusion

In our opinion and after careful consideration our overall conclusion would be that a 'positive opinion' is appropriate and we further offer 'adequate assurance' overall. A further report will be produced for the Audit & Governance Committee detailing the outcome of our further investigations.