Maldon District Council

Internal Audit Report - Final

Car Parking

October 2026

Design Opinion	Moderate
Effectiveness Opinion	Moderate



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DISTRIBUTION	
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Nicola Syder	Senior Car Park and Community Safety Officer

BDO LLP APPRECIATES THE TIME PROVIDED BY ALL THE INDIVIDUALS INVOLVED IN THIS REVIEW AND WOULD LIKE TO THANK THEM FOR THEIR ASSISTANCE AND COOPERATION.

REPORT STATUS	
Auditors:	Aaron Winter, Partner Andrew Billingham, Internal Audit Manager Ollie Seabrook-Smith, Assistant Manager
Dates work performed:	August 2026 – September 2026
Draft report issued:	8 September 2026
Management responses received:	6 October 2026
Final report issued:	7 October 2026

Executive Summary

CRR REFERENCE: RISK 2: FAILURE TO TARGET SERVICES AND INFLUENCE PARTNERS WITH THE AIM OF HAVING AN EFFECTIVE OUTCOME ON THE IDENTIFIED HEALTH AND WELLBEING NEEDS OF THE VULNERABLE POPULATION

Design Opinion	Moderate	Effectiveness Opinion	Moderate
Recommendations	0	5	0

SCOPE

Background

- Car Parking is overseen by the Director of Neighbourhoods and Communities who joined Maldon District Council ("the Council) in April 2026.
- The Council adheres to traffic regulation orders to ensure the efficient operation and enforcement of its car parks. These regulations are vital for maintaining order and accessibility in the district's parking facilities.
- The Council operates several pay and display car parks, including Promenade Park, High Street East, Council Offices (weekends only), Butt Lane, Friary Fields, Carmelite Way (evenings and weekends only), and White Horse Lane.
- Additionally, there are two season ticket car parks located at Market Site and Silver Street.
- Collectively, these car parks contribute significantly to the Council's revenue, generating approximately £2 million annually.
- In line with modern payment trends, the Council has transitioned to cashless transactions, accepting payments via card at pay and display machines, which have been in use for eight years, or through the Ringo phone service, implemented in 2019.
- If car park users do not display a valid pay and display ticket or have a permit, then a Penalty Charge Notice (PCN) can be issued. The charge is £70, however for minor infringements (for example exceeding the maximum time limit or not displaying a Pay and Display ticket), the charge is generally £50.
- Payment of a PCN must be received within 28 days of the date of issue. If payment is received within 14 days, a discounted rate of £25 or £35 depending on the contravention will be accepted.

Purpose

- The purpose of the audit was to provide assurance over the Council's arrangements for the administration, collection and recording of car parking income.

Areas reviewed

- We reviewed the Council's car parking strategy, policy, and associated procedures and confirmed whether these were subject to regular

review, clearly defined roles and responsibilities, and documented the Council's rationale and approach to setting and charging car parking fees.

- We confirmed whether parking charges were reviewed on an annual basis and that the charges for 2026/27 had been formally approved through the appropriate governance arrangements.
- Through sample testing, we verified whether the approved parking charges for 2026/27 had been accurately applied across Council-operated car parks and to parking permits and season tickets issued during the period under review.
- We selected a sample of parking permits and assessed whether appropriate validation and eligibility checks had been completed prior to their issue.
- We completed a walkthrough of the process for identifying parking offenders to assess whether controls were suitably designed to identify and escalate offenders in a timely manner.
- We selected a sample of Penalty Charge Notices (PCNs) and verified whether payments received were accurate and appropriately recorded. For unpaid PCNs, we also confirmed whether the Council had undertaken enforcement action in line with established procedures.
- We reviewed whether reconciliations between payments made by car park users and income received and banked by the Council were completed.
- We sought to review the three most recent management reports relating to car parking services presented to senior management and assessed whether they contained sufficient operational and performance information, recorded actions arising, and were reported on a regular basis.

AREAS OF STRENGTH

- We confirmed there is currently an annual review process for parking charges, including: independent scrutiny through the Finance Working Group; formal governance oversight by the Strategy and Resources Committee; and final approval by Full Council, providing segregation of duties and appropriate authority levels, however, note the finding in relation to the Full Council approval of these fees and charges **(Finding 2 - Medium)**.
- Our testing of a sample of 10 parking permits/season tickets showed the payment amounts charged for each permit were agreed to the approved 2026/27 permit fee schedule, with no exceptions identified. Testing also confirmed that, where applicable, the required validation checks had been completed prior to permit issuance, with supporting evidence retained to demonstrate that eligibility requirements and approval controls had been appropriately applied.
- We completed a walkthrough of the process to identify parking offenders and confirmed that inspections are completed daily, Monday to Sunday, to ensure adequate coverage of the Council's car parks. Handheld devices are used to scan number plates to record PCNs. Photographic evidence is taken to support all issued PCNs, to mitigate against potential disputes. The current process ensures that offenders are identified in a timely manner and that comprehensive supporting evidence is obtained.

AREAS OF CONCERN

- The Car Park Strategy provided an overarching framework for the Council's parking objectives, rationale for charging, and commitment to periodic review. However, the strategy did not clearly define key roles and responsibilities, governance arrangements, or the detailed process for setting and approving parking charges **(Finding 1 - Medium)**
- For all cark parks, except the Council Offices, the Sunday and Bank Holiday car parking charges in RingGo and on the Council website did not match the approved 26/27 fees and charges. The amounts varied between 10p and 30p for the first hour of Sunday parking more than the approved charges. We were advised that the fees and charges schedule that was approved was not completed correctly and from reviewing the minutes on the Council website it was not clear that a corrected version was approved at full Council **(Finding 2 - Medium)**
- For our sample testing of PCNs issued, one exception was identified relating to a payment of £25 being received, which is the reduced amount if paid within 14 days, but for this one it was paid three days after this timescale, and the rationale for this was not noted against the PCN. Management confirmed there is currently no documented process for identifying, investigating, recording, or recovering PCN underpayments **(Finding 3 - Medium)**
- There is currently no reconciliations completed between income received, and banking completed by the Senior Car Park and Community Safety Officer, or the Finance Business Partner Manager **(Finding 4 - Medium)**
- KPIs have not been established by the service and the primary method of monitoring performance is through PCNs issued and income from parking. Documentation was provided to show the PCN figures being monitored regularly and the income being monitored through regular monthly forecasting, but it was not clear that these are reported to a suitable governance forum. **(Finding 5 - Medium)**

ADDED VALUE

Per the agreed audit terms of reference, we completed a benchmarking exercise against other clients and similar audits completed to identify areas of improvement for the Council. These have been outlined in more detail below, as part of the findings raised as part of this audit.

CONCLUSION

We have provided moderate assurance over control design and operational effectiveness of the controls in relation to car parking.

Control Design:

- The control design has been assessed as moderate. The Council has established several key controls, including an annual review and approval process for parking fees and charges involving independent scrutiny by the Finance Working Group, oversight by the Strategy and Resources Committee, and approval by Full Council. In addition, procedures are in place to validate parking permit applications, conduct regular parking

enforcement inspections, and obtain photographic evidence to support the issue of Penalty Charge Notices (PCNs).

- However, opportunities exist to strengthen the control framework. The Car Park Strategy provides an overarching framework for parking operations but does not clearly define roles and responsibilities, governance arrangements, or the detailed process for setting and approving parking charges. Furthermore, formal processes have not been established for the identification and recovery of PCN underpayments, reconciliation of parking income to banking records, and the development and reporting of service performance indicators. A finding was also identified regarding the approval and implementation of parking fees and charges.

Control Effectiveness:

- The control effectiveness has been assessed as moderate. Testing confirmed that parking permit and season ticket charges were applied in accordance with the approved 2026/27 fee schedule, with appropriate eligibility and validation checks completed prior to permit issuance. We also confirmed that parking enforcement activities are undertaken daily, with handheld devices and photographic evidence used to support the timely and accurate identification of parking offenders.
- However, several exceptions were identified which indicate that controls are not operating consistently across all areas. These included discrepancies between approved parking charges and the charges published within RingGo and on the Council website, an instance of a PCN underpayment where no rationale was documented, the absence of reconciliations between parking income received and amounts banked, and limited evidence of formal performance monitoring and reporting through defined KPIs. Collectively, these findings demonstrate that while key controls are operating in practice, improvements are required to ensure they are applied consistently and supported by a stronger governance and monitoring framework.

Detailed Findings

1	Car Parking Policy
TOR Risk	There is an ineffective car parking strategy and roles and responsibilities are not clearly defined leading to Council objectives not being achieved.
Significance	Medium

FINDING

The Car Park Strategy provides a suitably designed framework describing the Council's parking objectives, rationale for charging, and commitment to periodic review. The control is partially effective in design because although review activities and stakeholder involvement are referenced, the strategy does not clearly define specific roles, responsibilities, governance arrangements, or the detailed process for approving and setting parking charges. This was last reviewed in June 2025.

During this review, we completed a benchmarking exercise against parking service audits completed at other local authority clients. As a matter of good practice, it was common for authorities to maintain a suite of documented parking policies and procedures that complemented their overarching parking strategy and clearly defined the roles, responsibilities, and accountabilities of officers involved in the delivery and management of the parking service.

Such documentation typically established ownership for key activities including fee setting, income management, enforcement, performance monitoring, contractor management, and periodic policy review. This helped ensure consistency in service delivery, strengthened governance and accountability arrangements, and reduced the risk of ambiguity regarding operational responsibilities.

Root cause

When the current two key members of staff joined the team the priority has been learning processes and ensuring the processes in place are being managed effectively and there has not been the capacity to enhance the strategy that governs the service.

Implication

There is a risk that the consistency, transparency, and accountability in the administration of parking services across the District will be impacted by roles and responsibilities and fully documented processes not being in place.

RECOMMENDATION

1a. A complementary Car Park Policy should be developed and approved by the Council to:

- Clearly define roles, responsibilities, and accountability for the management of car parks, including ownership of policy reviews, performance monitoring, fee proposals, and operational delivery.
- Establish a formal governance framework, including review frequency, approval requirements, escalation routes, and reporting mechanisms.

• Document the methodology and principles for setting and reviewing parking charges, including consideration of demand management, asset utilisation, customer needs, benchmarking, financial sustainability, and strategic objectives.

• Specify the process and frequency for reviewing parking tariffs, permits, concessions, and season ticket arrangements.



MANAGEMENT RESPONSE

1a. Agreed. A complementary Car Parking Policy will be developed to support the existing Car Park Strategy. The policy will clearly set out the roles, responsibilities and accountabilities for the management and operation of the Council's car parks, including responsibility for reviewing the policy, developing fee proposals, monitoring performance and overseeing operational delivery.

The policy will also document the governance and approval arrangements for parking-related decisions, the frequency of policy and tariff reviews, reporting and escalation routes, and the principles to be considered when setting charges. These will include customer needs, demand management, use of the Council's parking assets, benchmarking, financial sustainability and alignment with the Council's wider strategic objectives.

The policy will be subject to the appropriate internal review and governance process before being presented for formal approval.

Responsible Officer:	1a. Jon Sharkey & Nicola Syder
Implementation Date:	1a.31 March 2027

2	Car Parking Fees and Charges
TOR Risk	There is a risk that parking charges are applied without appropriate authorisation, resulting in financial loss, challenge from service users, non-compliance with Council governance requirements, and reputational damage.
Significance	Medium

FINDING

We confirmed there is currently an annual review process for parking charges, including:

- independent scrutiny through the Finance Working Group;
- formal governance oversight by the Strategy and Resources Committee; and
- final approval by Full Council, providing segregation of duties and appropriate authority levels.

For all cark parks, except the Council Offices, the Sunday and Bank Holiday car parking charges in RingGo and on the Council website did not match the approved 26/27 fees and charges. The amounts varied between 10p and 30p for the first hour on Sunday above the approved fees.

The Strategy and Resources Committee in November 2025 noted the recommendation from the Car Parking Task and Finish Group that the fees and charges should remain the same for 2026/27 as the previous financial year. From reviewing the full Council meeting in December 2024, the 25/26 and 26/27 fees and charges align.

Therefore, using Butt Lane as an example, on Sunday P&D for one hour was £1.10 in 2025/26 and 2026/27 in the fees and charges documents. Therefore, the current charge, of £1.40 for one hour P&D on Sunday via RingGo and as detailed on the Council website, at Butt Lane doesn't align with the approved charges.

Root cause

Management believe the fees and charges currently in place are correct, and it is not clear at which point in the process there was a failure to identify the correct and agreed charges to be reported to full Council for approval.

Implication

There is a risk that parking charges are applied without appropriate authorisation, resulting in financial loss, challenge from service users, non-compliance with Council governance requirements, and reputational damage.

RECOMMENDATION

2a. Review the current parking charges that have been implemented for 2026/27 against the fees and charges formally approved by Council as part of the 2026/27 budget-setting process.

Where discrepancies are identified, either:

• Approve the revised parking charges currently being applied, including any increases above the approved 2026/27 fees and charges; or amend the parking charges to bring them into line with the fees and charges approved by Council for 2026/27.

• Strengthen the annual fees and charges review process by requiring all proposed parking charges to be reviewed and verified prior to publication or implementation, with appropriate management checks and approvals undertaken.

MANAGEMENT RESPONSE

2a. Agreed. Management will complete a documented review of the parking tariffs currently applied and published on the Council's website against the fees and charges formally approved for 2026/27.

Where discrepancies are confirmed, management will ensure that the charges are either corrected to align with the approved schedule or submitted through the appropriate governance process for formal approval. Any changes arising from this review will be applied consistently across the relevant payment systems, published information and car park signage, where applicable.

The annual fee-setting process will also be strengthened through the introduction of a documented verification check. Before new or revised tariffs are implemented, the approved schedule will be independently checked against the charges programmed into payment systems and published through the Council's communication channels. Evidence of these checks and the associated management approval will be retained.

Responsible Officer:	2a. Jon Sharkey & Nicola Syder
Implementation Date:	2a.31 December 2026

3 PCN Underpayments	
TOR Risk	Parking offenders are not identified appropriately, or action taken on a timely basis, and accurate payments are not received for PCNs, leading to loss of income for the Council.
Significance	Medium

FINDING

We selected a sample of 20 PCNs to confirm that payments were received correctly, and if not, whether enforcement action was taken.

One exception was identified relating to a payment of £25 being received, which is the reduced amount if paid within 14 days, but for this one it was paid three days after this timescale and the rationale for the reduced payment was not noted against the PCN. Management confirmed there is currently no documented process for identifying, investigating, recording, or recovering PCN underpayments.

Root cause

Management stated it is common for Unity5 Chipside to approach the Council for a management review to confirm whether or not to try and secure the remaining amount outstanding, but this was not completed in this case, and there is not a routine, agreed process in place to manage this.

Implication

There is a risk that PCN income is not fully recovered and that inconsistent treatment of underpayments may undermine the effectiveness and fairness of parking enforcement arrangements. There is also an increased risk of fraud where there is not oversight of these reduced amounts being accepted.

RECOMMENDATION

3a. It is recommended that the Council:

Review instances since 1 April 2026 where Penalty Charge Notices (PCNs) have been settled at the discounted rate outside the statutory 14-day discount period to determine the extent and impact of the issue.

Liaise with Unity5 Chipside to agree a process for following up on under payments, including formally recording and acknowledging any cases where reduced payments have been accepted after the expiry of the 14-day period, including the reasons for the decision and whether the reduction was applied in accordance with Council policy or operational practice.

Assess whether any further action is required, considering the financial impact, consistency of treatment, legal and procedural requirements, and the potential implications for enforcement activities and public confidence in the parking service.

Implement appropriate monitoring controls to ensure that any future acceptance of discounted PCN payments outside the prescribed period is appropriately authorised, documented, and supported by a clear rationale.

MANAGEMENT RESPONSE

3a. Agreed. Management will review PCNs settled at the discounted rate outside the applicable discount period from 1 April 2026. This review will establish the number and value of relevant cases, the reasons for accepting reduced payments and whether any further action is proportionate or required.

The Council will work with Unity5 Chipside to establish and document a consistent process for identifying and referring PCN underpayments for management review. The process will require decisions to accept a reduced or late payment to be appropriately authorised, supported by a recorded rationale and retained against the relevant case.

Management information will be introduced to provide oversight of exceptions and identify recurring issues or trends. The process will also clarify the circumstances in which recovery action should be pursued, taking account of the financial value, legal and procedural requirements and the need for consistent treatment.

Responsible Officer:	3a. Nicola Syder and Jon Sharkey
Implementation Date:	3a.31 January 2027

4 Reconciliations	
TOR Risk	Payments received by the Council for parking services may not be accurately recorded as income in the general ledger, leading to undetected fraud or errors.
Significance	Medium

FINDING

There is currently no reconciliations completed between income received and finance records and bank receipts by the Senior Car Park and Community Safety Officer, or the Finance Business Partner Manager.

Root cause

When the current two key members of staff joined the team, the priority has been learning processes and ensuring the processes in place are being managed effectively and there has not been the capacity to enhance the service.

Implication

There is a risk that errors, fraud, theft, or unrecorded income may go undetected due to inadequate reconciliation controls and insufficient segregation of duties, resulting in financial loss and inaccurate financial reporting.

RECOMMENDATION

4a. Management should develop and implement documented procedures requiring:

• Regular reconciliation of all car park income streams (including cash, card, and third-party payment providers) to the Council's financial records and bank receipts.

• Timely investigation and resolution of all reconciling differences, with evidence of actions taken retained.

• Independent review and approval of reconciliations by an appropriately authorised officer.

• Clear segregation of duties between officers responsible for collecting/recording income, preparing reconciliations, and reviewing/approving reconciliations.

• Periodic management oversight to ensure reconciliations are completed consistently and in accordance with Council requirements.

MANAGEMENT RESPONSE

4a. Agreed. Working with Finance, the service will develop and implement a documented reconciliation process covering all material car parking income streams and the corresponding financial and banking records.

The procedure will specify the frequency of reconciliations, the information to be reviewed, responsibilities for preparation and independent approval, and the evidence that must be retained. Any differences identified will be investigated promptly, with the cause, corrective action and resolution recorded.

The allocation of responsibilities will provide appropriate segregation between the collection or recording of income, preparation of the reconciliation and its review and approval. Completion of reconciliations and any unresolved differences will be periodically reported to management to provide assurance that the control is operating consistently.

Responsible Officer:	4a. Nicola Syder and Jon Sharkey
Implementation Date:	4a.31 January 2027

5	Management Reporting
TOR Risk	Management reports are not presented to senior management on a regular basis, resulting in insufficient oversight / scrutiny over parking management within the Council.
Significance	Medium

FINDING

We were advised by the Senior Car Park and Community Safety Officer that KPIs have not been established by the service and that the primary method of monitoring performance is through PCNs issued and income from parking. Documentation was provided to show the PCN figures being monitored regularly and the income being monitored through regular monthly forecasting, but it was not clear where these are formally reported to.

It was common practice for parking services to produce regular management reports for review by senior management and/or relevant governance forums. These reports provided oversight of operational performance, financial performance, risks, and service improvement activities, enabling management to make informed decisions and hold service areas accountable for delivery.

As part of this audit, we conducted a benchmarking activity across other parking audits completed at our other clients and identified that typically, management reporting included:

- Car park income performance against budget, including analysis of variances
- Occupancy and utilisation data by car park location
- Parking permit and season ticket statistics
- Penalty Charge Notice (PCN) volumes, collection rates, cancellations, and trends
- Customer complaints, compliments, and service requests
- Key operational issues, risks, incidents, and emerging challenges
- Performance against key performance indicators and strategic objectives
- Updates on agreed management actions and service improvement initiatives
- Proposed changes to fees and charges and the impact of previous tariff changes.

Root cause

When the current two key members of staff joined the team the priority has been learning processes and ensuring the processes in place are being managed effectively and there has not been the capacity to enhance the service.

Implication

There is a risk that where complete and consistent management reporting is not in place that performance trends, financial issues, and operational risks will not be identified and addressed in a timely manner.

RECOMMENDATION

5a. The Council should establish a suite of KPIs and management information measures for the parking service and implement a formal governance and reporting framework. This should define the performance information to be monitored, reporting frequencies, and escalation routes, with regular performance reporting undertaken within the directorate

and agreed information reported to SLT to support effective oversight and continuous improvement.

MANAGEMENT RESPONSE

5a. Agreed. The service will establish a proportionate suite of KPIs and management information measures for car parking. These will include financial and operational measures such as income against budget and forecast, PCN volumes and recovery, permit and season ticket activity, customer feedback, operational issues and risks, and progress against service improvement actions.

A formal reporting framework will be documented, setting out the measures to be monitored, data ownership, reporting frequency, responsible governance forums and escalation arrangements. Performance will be reviewed regularly within the directorate, with an agreed summary reported periodically to SLT to support oversight, informed decision-making and continuous improvement.

The measures will be reviewed after an initial period of operation to ensure that they remain relevant, reliable and proportionate.

Responsible Officer:	5a. Jon Sharkey and Nicola Syder
Implementation Date:	5a.31 March 2027

Appendix I - Definitions

LEVEL OF ASSURANCE	DESIGN OF INTERNAL CONTROL FRAMEWORK		OPERATIONAL EFFECTIVENESS OF CONTROLS	
	FINDINGS FROM REVIEW	DESIGN OPINION	FINDINGS FROM REVIEW	EFFECTIVENESS OPINION
Substantial	Appropriate procedures and controls in place to mitigate the key risks.	There is a sound system of internal control designed to achieve system objectives.	No, or only minor, exceptions found in testing of the procedures and controls.	The controls that are in place are being consistently applied.
Moderate	In the main there are appropriate procedures and controls in place to mitigate the key risks reviewed albeit with some that are not fully effective.	Generally a sound system of internal control designed to achieve system objectives with some exceptions.	A small number of exceptions found in testing of the procedures and controls.	Evidence of non compliance with some controls, that may put some of the system objectives at risk.
Limited	A number of significant gaps identified in the procedures and controls in key areas. Where practical, efforts should be made to address in-year.	System of internal controls is weakened with system objectives at risk of not being achieved.	A number of reoccurring exceptions found in testing of the procedures and controls. Where practical, efforts should be made to address in-year.	Non-compliance with key procedures and controls places the system objectives at risk.
No	For all risk areas there are significant gaps in the procedures and controls. Failure to address in-year affects the quality of the organisation's overall internal control framework.	Poor system of internal control.	Due to absence of effective controls and procedures, no reliance can be placed on their operation. Failure to address in-year affects the quality of the organisation's overall internal control framework.	Non compliance and/or compliance with inadequate controls.

RECOMMENDATION SIGNIFICANCE	
High	A weakness where there is substantial risk of loss, fraud, impropriety, poor value for money, or failure to achieve organisational objectives. Such risk could lead to an adverse impact on the business. Remedial action must be taken urgently.
Medium	A weakness in control which, although not fundamental, relates to shortcomings which expose individual business systems to a less immediate level of threatening risk or poor value for money. Such a risk could impact on operational objectives and should be of concern to senior management and requires prompt specific action.
Low	Areas that individually have no significant impact, but where management would benefit from improved controls and/or have the opportunity to achieve greater effectiveness and/or efficiency.

Appendix II - Terms of Reference

KEY RISKS

Based upon the risk assessment undertaken during the development of the internal audit operational plan, through discussions with management, and our collective audit knowledge and understanding the potential key risks associated with the area under review), are:

- Risk 1: There is an ineffective car parking strategy and roles and responsibilities are not clearly defined leading to Council objectives not being achieved.
- Risk 2: Parking charges are not subject to annual review and approval resulting in inappropriate charges set.
- Risk 3: Fees and charges collected by the Council are not in line with the agreed schedule of rates, potentially leading to a financial loss for the Council.
- Risk 4: Validation checks are not completed prior to issuing a parking permit / season ticket, potentially leading to the Council granting authority to park in the borough to someone who does not meet the required eligibility.
- Risk 5: Parking offenders are not identified appropriately, or action taken on a timely basis, and accurate payments are not received for PCNs, leading to loss of income for the Council.
- Risk 6: Payments received by the Council for parking services may not be accurately recorded as income in the general ledger, leading to undetected fraud or errors.
- Risk 7: Management reports are not presented to senior management on a regular basis, resulting in insufficient oversight / scrutiny over parking management within the Council.

SCOPE & APPROACH

The following areas will be covered as part of this review:

- Review car parking strategy and/or policy procedures and confirm they are regularly reviewed, clearly define roles and responsibilities and sets out the Council's rationale and approach for charging car park fees. (Risk 1)
- Confirm parking charges are reviewed annually and approved. (Risk 2)
- Through sample testing, verify whether the approved charges for 2026/27 have been correctly applied across the Council's car parks and for parking permits / season tickets issued. (Risk 3)
- Select a sample of parking permits to assess whether appropriate validation checks were completed prior to issuing the permits. (Risk 4)
- Walkthrough the processes for identifying parking offenders, to understand if they are adequately designed to identify offenders within a timely manner. (Risk 5)
- Select a sample of PCNs to determine if the payments received were accurate, and if not received, appropriate enforcement action was taken. (Risk 5)
- Review a sample of reconciliations between payments made by car park users and those received/banked by the Council, and whether there is adequate segregation of duties in this process. (Risk 6)
- Review the three most recent management reports on car parking services presented to senior management to assess whether these are adequately detailed, record actions and are presented on a periodic basis. (Risk 7)

Sample sizes will be determined following the completion of our walkthroughs using our Internal Audit Methodology; for example, if a control is performed daily, we may select a sample of fifteen and if monthly a sample of two to three. Where possible, full population testing will be conducted utilising data analytics.

A closing meeting will be held to discuss findings emerging from the review prior to issue of the draft report. Once the report and recommendations have been agreed following discussions with management, a summary of the findings will be presented to the Performance, Governance and Audit Committee at its next meeting. We assume for the purposes of estimating the number of days of audit work that there is one control environment, and that we will be providing assurance over controls in this environment. If this is not the case, our estimate of audit days may not be accurate.



ADDED VALUE

In addition to the above areas we will also:

Benchmark processes with other Councils where we have completed a similar audit to identify any areas of best practice that can be adopted.

Appendix III - Responsibilities and conformance

Management responsibilities

The Global Internal Audit Standards (GIAS) refer to the 'board' as 'the highest-level body charged with governance, such as a board of directors, an Audit Committee, a board of governors or trustees, or a group of elected officials or political appointees.' For the Council, 'the board' is the Performance, Governance and Audit Committee (PGAC) acting on behalf of the Council.

The PGAC is responsible for determining the scope of internal audit work, and for deciding the action to be taken on the outcome of our findings from our work.

The PGAC is responsible for ensuring the internal audit function has:

- The support of the Council's management team
- Direct access and freedom to report to senior management, including the Chair of the PGAC.

The PGAC is also responsible for the establishment and proper operation of a system of internal control, including proper accounting records and other management information suitable for running the Council.

Internal controls cover the whole system of controls, financial and otherwise, established by the Council to carry on the business of the Council in an orderly and efficient manner, ensure adherence to management policies, safeguard the assets and secure as far as possible the completeness and accuracy of the records. The individual components of an internal control system are known as 'controls' or 'internal controls'.

The AC is responsible for risk management in the organisation, and for deciding the action to be taken on the outcome of any findings from our work. The identification of risks and the strategies put in place to deal with identified risks remain the sole responsibility of the Council.

Limitations

The scope of the review is limited to the areas documented under Appendix III - Terms of reference. All other areas are considered outside of the scope of this review.

Our work is inherently limited by the honest representation of those interviewed as part of the review. Our work and conclusion is subject to sampling risk, which means that our work may not be representative of the full population.

Internal control systems, no matter how well designed and operated, are affected by inherent limitations. These include the possibility of poor judgment in decision-making, human error, control processes being deliberately circumvented by employees and others, management overriding controls and the occurrence of unforeseeable circumstances.

Our assessment of controls is for the period specified only. Historic evaluation of effectiveness may not be relevant to future periods due to the risk that: the design of controls may become inadequate because of changes in operating environment, law, regulation or other; or the degree of compliance with policies and procedures may deteriorate.

Conformance with the Global Internal Audit Standards in the UK Public Sector

This engagement has been conducted in accordance with Global Internal Audit Standards in the UK Public Sector, which encompass:

- The global Institute of Internal Auditors (IIA) *Global Internal Audit Standards* effective from January 2025

- The Internal Audit Standards Advisory Board (IASAB) *Application Note Global Internal Audit Standards in the UK Public Sector* effective from 1 April 2025.

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