

Investigation Report



East Devon District Council

► Water Sampling Contract Investigation

Issued to: EDDC Audit and Governance Committee

Simon Davey
S151 Officer

Gerry Cox
Head of Internal Audit Partnership

Working in partnership with:



Date of Report: 23rd October 2012

Issued by: Andrew Ellins
Audit Manager

David Hodgson
Auditor

Water Sampling Contract Investigation**Background**

The South West Audit Partnership (SWAP) was asked to undergo a short investigation into a recent complaint made against an existing contractor, Fenton and Knibbs.

Fenton and Knibbs are Environmental Consultants who have been working on behalf of the Council since January 2012, to provide private water supply sampling. The contract was originally put in place to ensure compliance with the recent changes in private water supply regulations which now require all local authorities to monitor, sample and improve the standards of private supplies.

A private water supply is any water supply which is not provided by a water company. About 1% of the population in England and Wales has private water supplies to their homes.

A complaint was brought to the attention of the Internal audit manager during Audit and Governance Committee by an existing elected Council member. Their complaint was as follows;

Nature of complaint

The elected member was concerned at the execution of the contract and was worried that the work provided fell below the standards expected from an East Devon District Council operation.

In particular the lack of cleanliness and hygiene used in the procedure for carrying out private water sampling was questioned. This included concerns raised on the appearance of the contractor and the adopted procedure the contractor had used to extract and document the water sample.

Nature of SWAP investigation

Following this complaint, SWAP was asked to assist in determining whether there has been any irregularity or lack of best practice by undergoing a short investigation.

It was agreed that Internal Audit would cover the following areas and then report any concerns or recommendations relating to this contract for the attention of the Council;

1. To ensure compliance with the current Contract Standing Orders in letting this contract.
2. To ensure that the private water supply sampling service has been subject to performance monitoring against the required performance measures stipulated in the contract.
3. To review the adequacy of the current complaint handling procedures in light of this complaint.

Audit Investigation Findings

1. Compliance with Contract Standing Orders

As part of this investigation, I undertook a review to see whether the contract was let in accordance with the existing CSO's adopted by the Council.

It was evident that this is a relatively small contract with a value of £12,000 per annum (300 samples at £40 each). At this level formal tendering is not required but quotations and value for money must be demonstrated.

Overall I was satisfied that the officer responsible for letting out the contract had acted in accordance with the CSO's and that the officer provided a good audit trail to show each stage of the letting process.

There were a few areas where I found that procedures should be improved as reported below;

Scoring methodology for assessing candidates against agreed criteria

I was satisfied that the Environmental Health Manager had adopted a methodology for assessing each of the candidates. However, it was not kept on file how the scoring method was applied; therefore I was not able to get full assurance that the scores given to each candidate were accurate at the time of this investigation.

The current CSO's recorded on the Council's policy register state on page 84 that *'it is important that the criteria adopted is documented and available for inspection if required.'*

[The Environmental Health Manager has agreed to document the scoring methodology used in the process, and this will be attached to the contract file.](#)

No record of contractor's qualifications and training kept on file

The successful candidate, Fenton and Knibbs, listed a summary of their qualifications and experience on the CV that they attached with their contract submission. However, the Environmental Health Manager has accepted that they did not request and retain any evidence in the form of copies of their qualification. Internal audit accept the risk of not providing these documents in this case was low as the Environmental Health Manager did gather a reference from another local authority and prior to their appointment the service was aware of the reputation of the contractor to provide this service across a number of local authorities.

The current CSO's recorded on the Council's policy register state under the section on Identifying and Assessing Potential Candidates that *'the responsible officer must ensure that all candidates for a relevant contract are suitably assessed,'* with *'minimum assessment'* which *'should include b) technical ability and capacity.'*

[The Environmental Health Manager has agreed to get a copy of all relevant training and qualifications from the Contractor relevant to the post.](#)

The Council did not ask for copy/copies of the contractors policies and procedures

As this is not financially a significant contract to the Council, there is no requirement of the service to request copies of the contractor's current policies and procedures prior to letting the contract.

As the complaints include the manner in which the Contractor has undertaken their procedures, [the Environmental Health Manager has agreed to request copies of all relevant policies and procedures adopted by Fenton and Knibbs to ensure that they are compliant with private water supply regulations.](#)

2. Performance Monitoring of the Contract

As part of this investigation, I undertook a review to see whether the contract was being managed in accordance with the CSO's and with the contract. Overall I was satisfied that the contract was being managed in accordance with the CSO's and that the responsible officer was monitoring the contractor in accordance to the agreement.

Ongoing monitoring is relatively easy as the contractor is based in the Environmental Health Services Office, unlike most contractors who are located externally. This is in part because internal staff undertakes much of the administration for which £20 of each £60 fee is retained, i.e. Fenton and Knibbs only receive £40 of the fee.

There was one element of the monitoring that was not undertaken fully as required. There is a performance requirement within the contract to hold a 6 monthly review with the Environmental Health Manager and the Contractor to discuss the current performance against the agreed contract. A meeting had been scheduled with the contractor but was later cancelled.

[The Environmental Health Manager has agreed to ensure that a formal 6 monthly review is held soon and then scheduled 6 monthly to ensure compliance with the contract.](#)

3. Complaint Handling

As part of this investigation, I reviewed the adequacy of current complaint procedures adopted by the Council, and reviewed how the complaint raised by the elected member was handled.

The Council has a formal complaint handling procedures and there is a policy on 'Complaint procedure' available on the Council's policy register.

There were no complaints or concerns recorded by the Council against the contractor, Fenton and Knibbs under this Complaint Procedure.

My understanding is that the complaint has been raised with a number of EDDC Officers before it was passed to Internal Audit to review, however, during my investigation it was evident that the complaint had not been recorded by either the Housing Service or cascaded to the Information and Complaints Officer.

[Heads of Service need to ensure that all complaints are properly recorded and managed according to the agreed Complaints procedure adopted by the Council.](#)

Action already taken by Environmental Health Manager and the Contract provider

The Environmental Health Manager confirmed that the contractor now uses a cool bag to store and carry water samples. Previously the Contractor was transporting water samples using plastic bags (though this previous method was still acceptable).

The Environmental Health Manager confirmed that the Contractor has been provided with an EDDC Fleece jacket to improve her appearance. The Contractor has already been issued with an EDDC badge.

The Environmental Health Manager confirmed that the bottles used to store water samples are provided by South West Water and therefore not the responsibility of the contractor. However, the Environmental Health Manager confirmed that the bottles used for private water sampling are sterile and fit for purpose.

AUDIT CONCLUSION

I therefore conclude that while some improvements need to be made by the Environmental Health Manager to ensure further compliance with the CSO's, the issues relating to this contractor have been addressed and agreed actions have either been taken already or agreed to be taken during the course of this audit investigation.