

## INTERNAL AUDIT REPORT

**FROM:** Audit and Risk Manager

**SUBJECT:** CCTV Services

**TO:** Head of Health and  
Community Protection

**DATE:** 14 September 2018

**C.C.** Chief Executive  
Deputy Chief Executive (AJ)  
Head of Finance  
Safer Communities Manager  
CCTV Manager  
Portfolio Holder – Cllr.  
Thompson

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### 1 Introduction

- 1.1 As part of the 2018/2019 Audit Plan an audit has recently been completed on the systems and procedures in place to manage the Council's CCTV services (CCTV).
- 1.2 This report outlines the approach to the audit and presents the findings and conclusions arising.

### 2 Background

- 2.1 CCTV at WDC was established in 1996 and since that time the scope and coverage of the service has gradually increased. The control room monitors not only town centre cameras but car parks, Council buildings, housing areas, certain parks areas and the Regent Court shopping centre. It also responds to requests from the Help Points, plays a key role in the Retail Radio Link and in the response to flooding incidents.
- 2.2 The control room is based at the Town Hall from where 190 cameras are monitored 24 hours a day for every single day of the year.
- 2.3 The service is staffed by a CCTV Manager and 5.8 (fte) operators.
- 2.4 The gross cost of the service has remained fairly static over the last ten years at around £500,000 a year.

### 3 Scope and Objectives of the Audit

- 3.1 The audit was undertaken to test the management and financial controls in place.
- 3.2 In terms of scope, the audit covered the following areas:
- Service provision
  - Staffing
  - Finance

- Risk management and insurance
- Performance monitoring

3.3 The audit programme identified the expected controls. The control objectives examined were:

- Members and management have an understanding of how the service will continue to be provided
- The service is provided in accordance with recognised industry standards or codes of practice
- External organisations and internal departments are aware of the level of service that will be provided
- Sufficient staff are in place to allow for the efficient running of the service
- The service is staffed by appropriate individuals
- Budgets are appropriately monitored and controlled
- Contracts are let appropriately
- Monies due in respect of CCTV are correctly calculated and charged
- Management are aware of the risks associated with the provision of CCTV
- CCTV equipment is appropriately insured
- Management are aware of service performance, enabling them to intervene if required
- Members of the public are provided with appropriate public safety information.

## 4 Findings

### 4.1 Recommendations from previous report

4.1.1 The last report on CCTV was issued on 21 March 2013 and it contained one recommendation. The response at the time and the current position are detailed below.

Recommendation	Management response	Current Status
Service Level Agreements should be drawn up for those services where they do not currently exist, with existing ones being reviewed and revised appropriately to bring them up to date.	Agreed. The SLA for Regent Court is currently in hand, with a response being awaited from them. The SLA for Housing will be reviewed once the updated system is complete. The remaining SLAs will be drawn up / reviewed as soon as possible.	The CCTV Manager at the time of the last audit retired in June 2015 by which time it appears that little had been done to progress the recommendation. When the current manager was appointed in July 2015 the task was not "handed over" so it has remained outstanding and will feature as a recommendation as part of this audit.

## 4.2 **Service provision**

- 4.2.1 The question of a strategy to govern the future provision and direction of CCTV has featured in recent audit reports and the response has been that as CCTV is a discretionary service it is difficult to set any long term goals or objectives as, in theory anyway, the service could be discontinued if circumstances warranted it.
- 4.2.2 In reality the fact that CCTV is one of the Council's most visible and valued services making a major contribution to community safety, crime reduction, detection and investigation and to the District's economy would suggest that its future is not in doubt.
- 4.2.3 The recent decision by Executive to approve an upgrade of the CCTV software and hardware together with other measures associated with the move to the new Council headquarters, costing in the region of £1M, is tantamount to a strategy as it confirms the Council's valuation of the service and its wish to retain it for years to come.
- 4.2.4 CCTV holds the relevant British Standards (BS7958 – Management and Operation of Closed Circuit Television and BS7858 - Security Screening of Individuals Employed in a Security Environment). Achieving and maintaining British Standards is not compulsory for CCTV provision and WDC was only the second authority in the country to achieve the standard in 2005.
- 4.2.5 The most recent annual inspection was in July 2018 when continued accreditation was confirmed. The report identified no non-conformances and, apart from one minor observation, no opportunities to improve.
- 4.2.6 The service operates under two codes of practice. The WDC Control Centre code of practice, dated 30 April 2018 and published on the WDC website, and, also published on the website a code of practice for CCTV operated in Council buildings. In addition there is an operations manual which goes into a greater level of detail as to how the operators use the system and the data and the management of the control room.
- 4.2.7 The service is provided to a number of internal customers e.g. Housing and car parks and to two external customers, i.e. Warwickshire Police and Regent Court. At the time of the last audit the existence of SLAs governing the service that internal customers would receive and how much they would be paying for it was inconsistent and where SLAs were in place they were found to be in need of revision and updating. No action has been taken to address the resulting recommendation and so it still applies.
- 4.2.8 Again at the time of the last audit there was in existence a draft SLA for the provision of CCTV to Regent Court but that was never finalised. The SLA was with the landlord at the time but that has changed twice since then. Interestingly there is no recharge to Warwickshire Police for their viewing of footage and burning evidence to disc which has been estimated to cost around £60,000 a year. The justification is that there would be a nil effect on Council Tax.

## **Risk**

**Customers may not be aware of the level of service that is to be provided and what the annual cost will be.**

## **Recommendations**

**Service level agreements should be drawn up for those internal customers where they do not currently exist, with existing SLAs being reviewed and revised appropriately to bring them up to date.**

**An agreement should be drafted between the Council and the landlord of Regent Court setting out the terms and conditions for the provision of CCTV.**

### **4.3 Staffing**

- 4.3.1 CCTV is provided on a 24/7 basis for 365 days a year. This is achieved by having in place a rota that provides for a suitable level of cover for the busier and quieter periods and for special events and certain times of the year e.g. New Year's Eve. The rota is set 12 months in advance.
- 4.3.2 During the very busy periods there is some overlap of cover. The Safer Communities Manager was successful with a bid to the Police and Crime Commissioner (PCC) for funding to pay for this. The Council has received around £14,700 a year from the PCC for the last three years.
- 4.3.3 A limited amount of overtime is worked to cover staff absence and it is budgeted for. Generally the budget, which is currently £3,400, is not exceeded.
- 4.3.4 Whenever any new staff are appointed they are subject to standard vetting procedures as well as a Police check. They are required to pass the relevant CCTV operator training course within their probationary period.

### **4.4 Finance**

- 4.4.1 The budget for CCTV tends to be well contained with little scope for variation. The main elements are staffing, maintenance and communication contracts and support service costs. The budget holder is the Safer Communities Manager and he meets with the Assistant Accountant responsible for Health and Community Protection as required to consider progress and any areas of concern.
- 4.4.2 The CCTV Manager is able to raise orders for the service using the financial management system TOTAL but she has not been trained in the other functions of the system. Although she is not nominally responsible for the budget she will on occasion have queries or need to make enquiries on financial issues and she should be able to resolve them herself.

## **Risk**

**The CCTV Manager's involvement in the overall management of the service may be restricted in relation to finance.**

## **Recommendation**

**Training in the use of TOTAL should be arranged for the CCTV Manager.**

- 4.4.3 An examination of budgets for the last three financial years revealed the usual minor variations but in overall terms nothing of concern. Gross budgets have been around £500,000 and just one year shows a small overspend.
- 4.4.4 The net budgets tend to be less than £200,000 mainly as a result of internal recharges and again they tend to show an underspending.
- 4.4.5 There are two contracts in existence in relation to CCTV. One is with ADT for the maintenance of the cameras and the other is with BT for the provision of the communications link between the camera and the control room. Both contracts appear in the published version of the contract register on the website and both are covered by current, signed agreements.
- 4.4.6 Currently CCTV does not generate much by way of external income. As already mentioned there is an annual contribution from the PCC and a recharge to the landlord of Regent Court shopping centre of £8,000 a year. TOTAL holds data back to 2006 and an examination of the income since then revealed a very confusing picture in terms of irregular timing and numerous cancellations and reallocations no doubt due to different officers dealing with it over the years and different procedures for raising invoices.
- 4.4.7 What was evident from the rather tangled web was that an invoice was not raised for 2008/09 and so the £8,000 was never demanded or paid. Currently an invoice for £2,000 is raised quarterly, automatically by TOTAL so there is no prospect of the landlord not being billed.
- 4.4.8 There are two other issues relating to the Regent Court recharge. Firstly it was evident that the recharge hasn't changed since 2006 and possibly prior to then so the charge needs at least to be reviewed.

## **Risk**

**The charge being made might be inadequate.**

## **Recommendation**

**The charge being made for the provision of CCTV to Regent Court should be reviewed.**

- 4.4.9 The second issue relates to VAT. It was evident that the recharge is not subject to VAT. As the service is discretionary and the Regent Court use is optional it falls into the "business" category and so it should be subject to

standard rate VAT. The standard rate should be applied at the earliest opportunity. For the avoidance of any doubt there is no need to apply any backdating or recovery measures.

## **Risk**

**VAT may be accounted for incorrectly.**

## **Recommendation**

**Arrangements should be made to apply VAT to all future invoices for Regent Court CCTV.**

### **4.5 Risk management and insurance**

- 4.5.1 Although CCTV has a number of unique features in that it is provided 24/7 for 365 days a year and it has a strong reliance on technology most of the risks associated with the service fall into the generic category and consequently appear in the Health and Community Protection risk register. This is reviewed and presented to committee in line with the usual timetable.
- 4.5.2 An inventory of equipment was supplied as part of the audit and although it looks comprehensive it lacks a number of basic features e.g. date purchased or age, condition and value. Also there are no office furniture type entries such as desks, chairs, cabinets etc.
- 4.5.3 An up to date, priced inventory is needed not only in the event of loss or damage but also to be able to evaluate the furniture and equipment that the Council holds for insurance purposes.

## **Risks**

**Furniture and equipment may be under-insured.**

**In the event of an insurance claim, relevant information may not be to hand.**

## **Recommendation**

**An up to date, priced inventory, including office furniture, should be compiled and a copy forwarded to the Insurance & Risk Officer in Finance.**

### **4.6 Performance monitoring**

- 4.6.1 The CCTV operators record details of all incidents observed on a spreadsheet and a copy is forwarded every month to the Safer Communities Manager. The number of incidents is usually in excess of 13,000 a year.
- 4.6.2 The number of arrests resulting from CCTV observations over the period 2014/15 to 2016/17 was 400, 482 and 520.

- 4.6.3 In addition to the identification of crime-related activity the operators also identify situations where intervention is needed to prevent a serious incident occurring e.g. possible suicide attempts, child sexual exploitation, members of the public in need of help. On a number of occasions individual operators have received awards in recognition of their prompt action preventing serious incidents.
- 4.6.4 The CCTV pages on the WDC website include a map of the camera locations, the codes of practice and the figures for recent control room performance.

## 5 **Conclusion**

- 5.1 Following our review, in overall terms we are able to give a SUBSTANTIAL degree of assurance that the systems and controls in place in respect of CCTV services are appropriate and are working effectively.
- 5.2 The assurance bands are shown below:

Level of Assurance	Definition
Substantial Assurance	There is a sound system of control in place and compliance with the key controls.
Moderate Assurance	Whilst the system of control is broadly satisfactory, some controls are weak or non-existent and there is non-compliance with several controls.
Limited Assurance	The system of control is generally weak and there is non-compliance with controls that do exist.

## 6 **Management Action**

- 6.1 The recommendations arising above are reproduced in the attached Action Plan (Appendix A) for management attention.

Richard Barr  
Audit and Risk Manager

**Action Plan**

**Internal Audit of CCTV – August 2018**

<b>Report Ref.</b>	<b>Recommendation</b>	<b>Risk</b>	<b>Risk Rating*</b>	<b>Responsible Officer(s)</b>	<b>Management Response</b>	<b>Target Date</b>
4.2.8	Service level agreements should be drawn up for those internal customers where they do not currently exist, with existing SLAs being reviewed and revised appropriately to bring them up to date.	Customers may not be aware of the level of service that is to be provided and what the annual cost will be.	Low	Safer Communities Manager / CCTV Manager	This was picked up as an issue and detailed in next steps in the original version of the most recent CCTV report to Executive. It was removed. We will diarise meetings with internal customers to re-visit the SLA's and bring them up to speed with transformation proposals.	End of March 2019
4.2.8	An agreement should be drafted between the Council and the landlord of Regent Court setting out the terms and conditions for the provision of CCTV.	Customers may not be aware of the level of service that is to be provided and what the annual cost will be.	Medium	Safer Communities Manager / CCTV Manager	As above but first we will confirm the VAT situation.	End of March 2019
4.4.2	Training in the use of TOTAL should be arranged for the CCTV Manager.	The CCTV Manager's involvement in the overall management of the service may be restricted in relation to finance.	Low	Safer Communities Manager	Already identified in the CCTV Managers PDP.	End of October 2018



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4.4.8	The charge being made for the provision of CCTV to Regent Court should be reviewed.	The charge being made might be inadequate.	Medium	Safer Communities Manager / CCTV Manager	This will be considered as part of 4.2.8.	End of March 2019
4.4.9	Arrangements should be made to apply VAT to all future invoices for Regent Court CCTV.	VAT may be accounted for incorrectly.	Medium	Safer Communities Manager	CCTV Manager to meet with FAST team.	End of October 2018
4.5.3	An up to date, priced inventory, including office furniture, should be compiled and a copy forwarded to the Insurance & Risk Officer in Finance.	Furniture and equipment may be under-insured.  In the event of an insurance claim, relevant information may not be to hand.	Low	CCTV Manager	We already have an inventory for CCTV equipment but will add furniture and other equipment to this.	End of January 2019

\* Risk Ratings are defined as follows:

High Risk: Issue of significant importance requiring urgent attention.

Medium Risk: Issue of moderate importance requiring prompt attention.

Low Risk: Issue of minor importance requiring attention.