

EXTRACTS FROM AUDIT REPORTS WITH MODERATE OR LOW LEVEL OF ASSURANCE ISSUED QUARTER 3 2011/12

Communications – 09 November 2011

1. INTRODUCTION

- 1.1 As part of the 2011/2012 Audit Plan, an audit has recently been completed on the systems and procedures in place to deal with communications.
- 1.2 This report outlines the approach to the audit and presents the conclusions and recommendations arising.
- 1.3 Communication is a two way process but this audit concerned itself with communication by and within the Council. How customers communicate with and contact the Council is covered under an audit called Customer Access Facilities.

2. SCOPE AND OBJECTIVES OF THE AUDIT

- 2.1 The audit was undertaken in order to establish and verify the controls in place over the communications function.
- 2.2 The audit programme identified the expected controls and the possible risks arising from the absence of those controls.
- 2.3 The control objectives examined were as follows:
 - a) There is a strategy in place to provide overall direction for communications that is formally endorsed and monitored.
 - b) Communication is defined and specified together with a set of objectives and policies.
 - c) An appropriate management structure is in place.
 - d) The effectiveness and value of communication is assessed.
 - e) There are appropriate budgetary control measures in place.
 - f) There are appropriate insurance and risk management procedures in place.

3. BACKGROUND

- 3.1 Historically, the Council has always employed staff where an element of their job was to deal with communications and marketing. However, it was not until 2003 that a dedicated communications post was created and a Communications and Information Officer, as the post was then called, began work in September of that year.

3.2	In 2004/5 a Best Value Review (BVR) of communications was undertaken with the final report being presented to Executive in July 2005. One of the recommendations of the BVR was that a new post of Communications Assistant should be created. A Communications and Marketing Officer began work in September 2008.
3.3	The responsibility for communications has been passed around a number of service areas and at the start of the audit it was not clear where ultimate responsibility lay. This was subsequently clarified.
3.4	The post of Communications and Marketing Officer now forms part of the Media and Communications Service in the Media Room.
4.	FINDINGS
4.1	In overall terms the audit concluded that communications has not been very well managed since its inception as a formal Council function in September 2003. The reasons for this opinion will be evident in the rest of the report.
4.2	However, the placement of the post of Communications and Marketing Officer into the Media Room following a period of the function being very much in limbo gives hope for optimism and a more settled future. A new Communications and Marketing Strategy is being developed in a new management structure, almost heralding a fresh start for communications.
4.3	There is a lot of commitment in the Media Room together with enthusiasm, ideas and awareness but they need to be moulded into a more formal approach i.e. a policy, a strategy, a set of procedures or a code of practice.
4.4	In respect of the control objectives listed at 2.3, the findings are as follows.
4.5	<u>There is a formally adopted strategy in place.</u>
4.5.1	The Communications Strategy posted on the Council's website is dated 13 May 2005.
4.5.2	One of the recommendations of the BVR was that the Communications Strategy should be revised to bring it up to date. When the former Communications Manager left in September 2009 it still had not been revised. A new strategy was being prepared at the beginning of 2010 and this was one of the reasons put forward for postponing a planned audit of Internal Communications that was due to take place in March 2010.
4.5.3	A lengthy strategy document entitled "WDC Marketing and Communications Strategy" was completed in April 2010 but it just sat on the shelf. It was never formally adopted, possibly because of its length and its, at times, descriptive nature.
4.5.4	This document has formed the basis for a more concise version that was produced in August 2011 called the Media Room Action Plan. This is in draft stage and needs more work on it so that actions are more specific, assigned to named officers and given a target completion date.

- 4.5.5 The Media Room Action Plan is at the moment more of a stand alone document in that it doesn't relate to a set of policies or objectives. It isn't abundantly clear what the actions will achieve as the objectives are not defined. The Action Plan does contain a series of aims but they are general, not specific. This point will be expanded later.
- 4.5.6 The BVR has been referred to previously but it needs to be recorded that the response to the recommendations and the absence of any action for most of them, together with no monitoring or reporting is one of the reasons for concluding that communication has been badly managed.
- 4.5.7 The BVR was a major piece of work that resulted in a report containing a large number of actions in the action plan. In short, most of the actions that were assigned to the then Assistant Chief Executive (Policy and Performance) and the Communications Officer were never undertaken. Some of the recommendations in the BVR that resulted in actions were dropped with no reference to Executive.
- 4.5.8 When it was recommended in January 2008 following an audit of Internal Communications that the original BVR action plan should be re-evaluated with a new action plan being presented for approval and that progress against the new action plan should be monitored and reported, both recommendations were sidestepped. The response was that as the BVR had been completed three years previously, it was now out of date and that a better approach would be to include elements of the action plan in a new Communications Strategy. Reporting progress against the action plan was deflected by responding that committees did not want reports that were "for information only".
- 4.5.9 A lot of work went into the BVR and while there have been changes on many fronts since 2005, a lot of what is in the final report and action plan still holds good. It would be worthwhile revisiting the BVR to establish what parts of it can be used to help formulate a new strategy and policy.

Risk

The absence of a formally adopted, monitored and reported strategy for communications means that there are no objectives for the function and no means of demonstrating that they have been achieved.

Recommendation

A formal strategy for communications should be finalised, presented to Council for adoption and subsequently monitored and reported.

- 4.6 Communication is defined and specified together with objectives and policies.

- 4.6.1 Following on from the need to have a strategy is the need to have a policy or a set of objectives. A strategy is merely a plan for achieving something, so what that is must be defined.

- 4.6.2 The strategy needs alongside it a policy that clearly defines communication and what it is that the Council wants to achieve by way of what is communicated, when, how, how much, how often etc. Before ploughing ahead with all manner of communication activity it is appropriate to apply the BVR "challenge" approach. Why do we do it? Do we have to?
- 4.6.3 Together with a policy, staff need to be clear about the procedures for communication. There is an assumption that all work is channelled through the Media Room in order to achieve control, uniformity, consistency, value etc but it is not set down anywhere. What, for example, prevents the most junior member of staff talking to the press and giving an inaccurate or embarrassing response?
- 4.6.4 Part of any policy or set of objectives should be the Council's rules or code of practice on communications so that staff are left in no doubt about how to deal with communication demands. The policy should address the impact and benefits of the increasing use of social media and also the risks that are presented not only from a content point of view but from excessive personal use by staff.

Risks

Without a policy or any objectives for communications, there is no way of demonstrating that the strategy or action relates to its delivery.

The absence of a protocol, a set of procedures or code of practice for communications means that staff and services areas are not aware that the Media Room manages all communication work.

Recommendations

At the same time that a strategy for communications is presented for adoption, a policy should also be prepared.

A set of procedures or code of practice for communications should be compiled, published and made available to all staff.

- 4.7 An appropriate management structure is in place
- 4.7.1 As previously mentioned, responsibility for communications has been passed around a number of service areas since its inception as a specific Council service in 2003.
- 4.7.2 It was until recently the subject of an experiment under the Support Services Review and not formally assigned to any service area. Although the post of Marketing and Communications was placed in the Media Room it was difficult to see where ultimate responsibility lay.
- 4.7.3 This uncertainty was resolved last month when Employment Committee formally approved that the Communications Officer reports to the Media and

Communications Manager and that she in turn is responsible to the Head of Corporate and Community Services.

4.8 The effectiveness and value of communications is assessed

4.8.1 Tied in with the idea that the Council needs to determine what it is trying to achieve by communicating certain information is the need to know if it is being done effectively and providing value. Too much communication is wasteful as is the wrong type, the wrong format and the wrong timing.

4.8.2 Clearly the customers do not need to know everything that the Council does but for those who want to find out, most Council activity can be seen on the website.

4.8.3 The Council has some idea of how well it is communicating with its customers. This tends to be based on surveys such as the residents' survey or those involving the Citizens' Panel. Although these tend to be based on fairly small samples most respondents feel very well or fairly well informed about Council services and how the Council is spending and performing. As there isn't any local media reference to the Council operating behind closed doors or not providing customers with enough information it may be assumed that most customers feel reasonably well informed or alternatively know how to find the information they want.

4.8.4 As regards internal communication, something that is very important in a period of uncertainty, there is a wide range of information published and the availability of the intranet to the majority of staff means that it can be easily made available in a timely manner.

4.8.5 Whether or not that meets the expectations of staff is unknown. At the time of the last audit of internal communications in January 2008, a staff survey was prepared to ascertain whether staff felt that the current methods of communication were effective. For whatever reasons the then Communications Manager had the survey suspended shortly after it was posted on the understanding that the subject would be included in the next "general" staff survey to be undertaken. It cannot be recalled if one has taken place.

4.8.6 Experts probably argue that a well informed workforce is happier and therefore more efficient and conversely those that are ill informed are disgruntled and inefficient. The relatively small number of staff and the availability of Moodle should make a survey of staff on internal communications fairly straightforward.

Risk

Staff feel that they receive too little information about current issues affecting the Council and their future and respond accordingly e.g. adopting a negative attitude, taking sick leave etc.

Recommendation

A staff survey should be prepared and distributed in order to obtain the views of staff on internal communications.

- 4.9 Appropriate Budgetary Control measures are in place
- 4.9.1 The budget for communications in 2011/12 is £42,800 and it is fully recharged. Given the fact that communications, as defined by the budget, does not operate in isolation but as part of what the budget calls Print Room Creative Communications, there is no longer a need for a specific communications budget. It should form part of an all embracing Media budget.
- 4.9.2 The 2011/12 budget comprises almost entirely the cost of the Marketing and Communications Officer and support services, leaving very little of a discretionary nature. Standard budgetary control procedures apply.
- 4.9.3 The total amount of the budget is recharged and as the work is mainly reactive across the whole of the Council, it is recharged in the same proportion as service areas' gross revenue expenditure.
- 4.9.4 The Media and Communications Manager indicated that she is looking to develop a ticketing system so that Media work can be recharged to customers on an actual basis.
- 4.10 Appropriate insurance and risk management procedures are in place.
- 4.10.1 If something is written or spoken by a Member or an officer that results in a claim, then the Council's libel and slander policy will be invoked.
- 4.10.2 If published information is inaccurate in any way and a claim results because a person has suffered a loss because they have acted on it, then this will be covered under the officials' indemnity policy.
- 4.10.3 Communication does feature in the Corporate and Strategic Risk Register but not prominently. Apart from the risk of libel and slander the only other risk identified is "communications not as effective as they should be", with the causes being that communications work is insufficiently proactive and not made a priority.
- 4.10.4 The risks with communications should be expanded e.g. inaccuracy, timeliness, inconsistency, too much, too little, staff resources and positioned in the Corporate and Community Services Risk Register.

Risk

If the risks associated with communications are not identified and scored they cannot be allocated and managed.

Recommendation

The risks associated with communications should be identified and recorded in the Corporate and Community Services Risk Register.

5. CONCLUSION

- 5.1 Communications has not been well managed in the past. The BVR was the culmination of a lot of work resulting in an action plan that was largely ignored. So that the work was not wasted it would be sensible to revisit the report and the action plan to inform the new Marketing and Communications Strategy (Media Room Action Plan) and any procedures that may follow.
- 5.2 Communications has now been formally positioned in the Media Room and will be managed by the Media and Communications Manager as part of an overall Media Team which can only be of benefit.
- 5.3 A new Strategy/Action Plan is being developed and there is something of a fresh start for communications.
- 5.4 On that basis the audit can provide a **MODERATE** level of assurance that there are reasonable systems and procedures in place to manage the Council's communications function.

Telephony Services – 05 December 2011

1. INTRODUCTION

- 1.1 In accordance with the Audit Plan for 2011/12, an examination of the above subject area has been undertaken and this report is intended to present the findings and conclusions for information and action where appropriate.

2. SCOPE AND OBJECTIVES OF AUDIT

- 2.1 Voice over Internet Protocol (VoIP) technologies, hosted via the computer network infrastructure, are used to provide telephony services both internally within Council premises and also externally to communicate with the public. Mobile telephony services are provided through standard mobile phones and smart phones that are supplied by Vodafone under the Buying Solutions framework agreement.

- 2.2 The VoIP telephony system is comprised of both hardware and software. Hardware is provided in the form of Cisco telephone handsets that connect to a central Cisco server in the main computer room via the existing computer network infrastructure. Software is comprised of the Cisco Call Manager that is installed on the central server and used to control the delivery of telephony services to each of the desktop telephones. The VoIP system has recently been upgraded to Cisco Call Manager version 8 as the version that was in operation was due to go end-of-life in February 2012. The Cisco server hardware has also been replaced as part of upgrade due to the new software version being compatible with the VMware virtualisation environment.

- 2.3 From analysis of financial data for 2010/11, the overall annual revenue cost of telephony shows at £185,000, broken down as follows:

	<u>£000</u>
Standing telephony charges (IP and other landline)	91
Landline call usage	31
Mobile telephony – standing network tariffs	37
Mobile telephony – usage charges	18
Mobile telephony – acquisition of devices	8

- 2.3 The overall objective of this audit has been to gain assurance over the controls in place to manage the risks that could:

- compromise the security and delivery of telephony services;
- cause the Council to incur excessive costs.

- 2.4 The scope of this audit has evaluated the following individual control objectives:

- strategy is in place to support the delivery of telephony services;
- a policy is in place for the acceptable use of telephony services and all service users are made aware of their duties to comply with the policy;
- roles and responsibilities in relation to delivery of telephony services are clearly identified and assigned to named officers to promote accountability;
- processes and procedures have been defined and formally adopted to ensure services are delivered and managed in a cost effective and secure manner; and
- telephony services usage is monitored and reported to management on a regular basis for policy monitoring and capacity planning purposes.

2.5 A risk based approach to the audit has been adopted to evaluate controls to manage the following aspects of risk:

- failure to support infrastructure;
- failure to make adequate arrangements for the security of equipment;
- failure to understand the security implications of new technologies;
- internal/external access to systems from unauthorised sources;
- uncontrolled costs and abuse of the service; and
- electronic denial of service.

2.6 The audit undertaken through examination of relevant documentation and discussions with:
Ty Walter, ICT Services Manager;
Richard Bates, ICT Infrastructure Manager;
Lee Millest, ICT Infrastructure Engineer;
Chris Brown, Financial Administration & Support Manager;
Mel Gillman, Procurement Manager.

3. FINDINGS

3.1 Strategy – Telephony Services

3.1.1 The Council has invested in CISCO hardware and software to provide stable and reliable telephony services that utilise the existing computer network infrastructure. The network infrastructure, as assessed as part of the 'Network Security & Administration' Internal Audit performed in August 2011, underpins the delivery of the ICT Strategy for 2008 to 2011.

3.1.2 The ICT Strategy also stipulates support for expansion of smart phones (among other technologies) to underpin the Agile Working agenda, although this does not extend to separate funding for purchase of devices, the cost of which is met from the relevant service budgets. A formal Service Level Agreement (SLA) has been established between ICT and the Council that specifically includes provision, installation and support of telephones and other mobile devices that access the Council's network.

- 3.1.3 The level of investment both in hardware and ongoing support for the telephony system demonstrates the importance of the service to the Council. The audit did not identify any aspects of risk that could compromise the stated control objective in this area.
- 3.2 Policy
- 3.2.1 There is no known policy document that specifically covers acceptable telephony use. Close examination of the Information Security and Conduct Policy does, however, reveal some provisions have a bearing on:
- legal, ethical and secure use of Council equipment generally, including boundaries on use other than for Council business;
 - use of mobile devices that have e-mail, mobile data and/or Internet capability.
- 3.2.2 The SLA document, section 14 – Voice Communications, does include a section for customer responsibilities stating that :
'Customers will make responsible use of telephone calls on their phone and report to their line manager any abuse'.
- 3.2.3 Call summary logs and bills are obtained from the external telephone service providers on a routine basis and are passed on to various departments for management to monitor call usage at their discretion.
- 3.2.4 In effect, there are adequate policy provisions in place to promote responsible telephony use and facilities to monitor usage of the services.
- 3.3 Roles and Responsibilities
- 3.3.1 Roles and responsibilities for the network have been documented and formally assigned to named officers within ICT. High-level definitions of the roles and responsibilities are included with the ICT SLA (both 'provider' and 'customer' side) and more detail is included within specific job descriptions for the applicable ICT Services officers.
- 3.3.2 All officers interviewed as part of this audit were aware of their duties and responsibilities in relation to the support and management of the telephony system.
- 3.3.3 Inspection of a sample of job descriptions for the ICT Infrastructure Team, as part of this audit, confirmed that risks are being managed effectively to achieve the stated control objective.
- 3.4 Processes and Procedures
- 3.4.1 Documentation and procedures have been developed by ICT to support the technical configuration and management processes associated with

the telephony system. The procedures are published on the secured Intranet webpage that can only be viewed by authorised users.

3.4.2 The telephony system has been implemented in line with Government Connect requirements for VoIP installations and evidence was examined as part of the audit to support this.

3.4.3 Examination of a sample of documented procedures and configuration noted that document version control has not been applied in a consistent manner. This is more of an issue as the system has recently undergone a major upgrade both to the server hardware and system software. It is acknowledged that the ICT Infrastructure Team were in the process of updating the documentation at the time of the audit.

Risk: Use of out of date procedures and system configuration documentation that could result in confusion and delays or even disruption to maintaining system security.

3.4.4 On the business and financial side, the evidence shows sound processes in place to ensure that only valid charges are paid and properly accounted for and that opportunities for financial savings have been exploited where feasible. Reference to an annual saving of £30,000 in telephony costs reported in the recent Procurement Strategy Update is duly supported by financial data.

3.4.5 There is, however, a noticeable exception regarding mobile telephony. Records at the time of the audit showed a total of 368 devices in use at the Council with a diverse variety of tariffs. A substantial number of them are on the low-use basic network tariff incurring significant amounts of usage charge (both voice and GPRS), suggesting some potential saving available by switching to 'inclusive' tariffs.

3.4.6 From discussions with the Procurement Manager, it emerged that there is no acknowledged central responsibility for ensuring the ongoing cost-effectiveness of the mobile phone procurement and charging arrangements. Although the ICT Services SLA specifically includes managing the 'corporate mobile phone contract' as part of their responsibility, there appears to be a line drawn in their acknowledged role.

3.4.7 Subsequent to the audit, the Procurement Manager has also examined mobile phone usage and charges and concluded that potential exists for significant savings on a more wide ranging basis than just the tariff structure. At the time of this report, the Procurement Manager is preparing proposals to Senior Management Team to commission an external review of the Council's mobile telephony arrangements as a whole.

Risk: Continuation of mobile phone accounts on inappropriate tariffs may result in higher costs than necessary to the Council.

3.5 Telephony Service Usage & Monitoring

3.5.1 The telephony service has been stable since implementation over four years ago and quality of service issues have never been reported by users. Access monitoring tools that are built into the Cisco Call Manager central management software suite are available to ICT Services, although there has never been occasion to use them.

3.5.2 Dual external telephone network connecting switches have been deployed, each with a capacity to handle up to 16 incoming and outgoing calls at once. The facility to monitor usage of the switches is available as part of the formal third party system supply and support contract with BT iNet, although this has not been utilised.

Risk: insufficient system usage monitoring that could identify under-utilisation of current system capacity and lead to potential savings from future service reductions.

3.5.3 On the business and financial side the picture gained of ongoing monitoring is patchy. Essentially, the cost monitoring side is incorporated in the corporate budget monitoring process with separate subjective budget heads defined in each cost centre for standing landline charges, landline usage and mobile telephones. While data is available for monitoring landline usage, only a small number of line managers avail themselves of this (for Riverside House extensions there is no real incentive for line managers to monitor as usage costs are no longer recharged to individual user cost centres, presumably because the overall costs are not deemed sufficiently material to justify the resource involved).

3.5.4 Evidence was found of cost monitoring on individual mobile devices in the major user service areas as part of bill processing, although as already stated this does not extend to challenge on the cost-effectiveness of current tariffs.

4. **CONCLUSIONS**

4.1 The findings from this audit can give MODERATE assurance on the key controls in place to manage the risks that could compromise the security, delivery and cost-effectiveness of telephony services.

4.2 The framework of control and effectiveness of controls in relation to the management of the telephony system and services was found to be adequate. The following aspects of risk have been noted that have resulted in audit recommendations to improve control:

- use of out of date procedures and system configuration documentation;
- excessive mobile phone costs being incurred;
- insufficient system usage monitoring.

- 4.3 The findings concerning mobile phones coincide with proposals being prepared by the Procurement Manager for a more wide-ranging review. The recommendation below (5.2.) should be considered in conjunction with the Procurement Manager's forthcoming report.

5. RECOMMENDATIONS

- 5.1 The update of technical configuration documentation and supporting procedures should include appropriate document version control.**
- 5.2 A Council-wide review of current mobile phone arrangements should be commissioned to evaluate potential for cost savings.**
- 5.3 The usage of switches connecting to the external telephone service provider should be reviewed on a regular basis to identify any issues of underutilisation that could lead to renegotiation of capacity requirements.**

Abbey Fields and Castle Farm Leisure Centres – 22 December 2011

1. INTRODUCTION

- 1.1 As part of the 2011/2012 Audit Plan an audit has recently been completed on the operation of Abbey Fields and Castle Farm Leisure Centres.
- 1.2 This report outlines the approach to the audit and presents the findings and conclusions arising.

2. SCOPE AND OBJECTIVES OF THE AUDIT

- 2.1 The audit was undertaken in order to establish and test the financial and management controls in place at the two centres.
- 2.2 The audit was undertaken using a standard audit programme for outlying establishments. The programme uses the systems based approach and the areas of operation covered were as follows:
 - (a) Ordering and payments.
 - (b) Petty cash.
 - (c) Stocks and stores.
 - (d) Salaries and wages.
 - (e) Income.
 - (f) Financial administration.
 - (g) Facilities risk management.

3. BACKGROUND

- 3.1 The two sites are managed by one manager based at Abbey Fields and procedures are broadly the same at each site.
- 3.2 The combined revenue expenditure for 2011/2012 is estimated at approximately £1.1 million with income in the region of £384 thousand.
- 3.3 Abbey Fields recently closed for refurbishment and is due to reopen in February next year.

4. FINDINGS

- 4.1 In overall terms the audit found that there are good controls in place and they are being complied with.

4.2 The nature of the operation of leisure centres – long hours, shift patterns, large number of staff etc. means that some relatively minor controls are not always complied with. Where this was found to be the case it will be referred to in the report but a formal recommendation will not be made.

4.3 In respect of the areas examined listed at 2.2 the findings were as follows:

4.4 Ordering and payments

4.4.1 Although it costs over £1 million to run the two sites the bulk of the expenditure is relatively fixed – employees, premises costs, support services etc. Discretionary purchasing mainly relates to items for resale, cleaning materials and services, routine office administration items, and small items of equipment.

4.4.2 For all purchasing Total is used with most orders being raised by the centre manager and authorised by another centre manager.

4.4.3 A sample of 20 orders raised and the corresponding invoices revealed that in most cases there was a variance between the two prices which was mainly down to not including carriage or delivery on the order. As a lot of the ordering is repetitive using the same suppliers the delivery charge will be known.

Risks

Budgets will be overspent and commitments will be understated in the accounting records.

Recommendation

Whenever possible all orders should be fully and accurately priced and include delivery or carriage.

4.5 Petty Cash

4.5.1 A petty cash float of £100 is held to cover minor purchases at both sites. It is stored securely in the manager's office at Abbey Fields with access restricted to her alone.

4.5.2 An examination of three recent claims showed that purchases were reasonable, supported by receipts and in the main properly accounted for. There was a minor mistreatment of VAT in that it was being deducted from standard food items e.g. squash and biscuits. These are zero rated and VAT is only applied to so called luxury food items e.g. confectionary. This was pointed out to the manager.

4.5.3 The petty cash float was checked during the audit and found to be correct.

4.6	<u>Stocks and stores</u>
4.6.1	Abbey Fields reception sells a range of swimming related items such as goggles, hats, armbands, etc. Stock levels were examined and considered to be appropriate.
4.6.2	Details of purchases are entered into Flex as are individual sales thereby providing a stock record.
4.6.3	A stock check is undertaken weekly with the physical stock being checked against the details in Flex. A stock check was undertaken during the audit with only two minor discrepancies being revealed.
4.7	<u>Salaries and wages</u>
4.7.1	The payment of salaries to leisure centre staff is by any definition complicated as it involves not only overtime on occasion but also adjustments to rates of pay for carrying out tuition or possibly deputising for a supervisor.
4.7.2	Although the system is complicated and originally inefficient it is established and understood by managers and staff.
4.7.3	Staff rotas are in place at both sites but they are subject to regular changes due to unexpected staff absences. Alongside the rotas there is a record maintained of staff attendance on site – signing in and out sheets, which are also used for official visitors to the sites.
4.7.4	The signing in and out sheets are fairly well maintained but inevitably there are some gaps.
	<i>Risks</i>
	<i>The absence of complete attendance records may hamper the authorisation of claims for additional work or responsibility.</i>
	<i>It may not be possible to account for all staff in the event of an emergency.</i>
	<i>Recommendation</i>
	<i>Staff should be reminded of the importance of always completing the signing in and out sheets.</i>
4.7.5	Staff complete a claim form for additional duties and tuition. This is checked against the rotas and signing in records, signed off by the centre manager and ultimately authorised centrally before payment. Casual staff complete a weekly timesheet which is authorised by the centre manager.
4.7.6	Testing was carried out on payments to permanent and casual staff to ensure that payments were accurate and had been appropriately authorised. Claims and timesheets were found to be in order.

4.8 Income

4.8.1 Income for the two sites is collected through a number of sources – the Flex System for paying in person, sundry debtor accounts, direct debits and the internet.

4.8.2 The tills are cashed up twice a day at the end of each shift with the relevant figures being recorded on a shift sheet that is signed by the receptionist and a supervisor. An examination of the sheets at Abbey Fields for September showed that the shift sheets were not always signed by two people.

Risk

The absence of two signatures suggests that two people were not involved in the cashing up process which is contrary to established procedures.

Recommendation

Receptionists and supervisors should be reminded of the need to have two people involved in the cashing up routine and that the shift sheet is signed by them both.

4.8.3 An examination of the weekly Flex returns for both sites for the year to date revealed that taking each week as a whole the Flex takings and the bankings never agree with the discrepancies ranging between £0.10 and £30.00, usually it is just a few pounds.

4.8.4 If a figure is more than a few pounds then usually the daily flex sheet will include a note of the incident but with no explanation for the discrepancy.

4.8.5 It is acknowledged that Castle Farm does not have a dedicated receptionist so most staff will have to use the till but the number of transactions involving payment each day is relatively low so the till should be spot on most of the time.

4.8.6 The explanation is likely to be either carelessness or inexperience and it is an area that the manager needs to monitor.

4.8.7 Where individuals or groups use one of the centres regularly they can often agree a block booking thereby guaranteeing their time slot or slots each week. In such cases an application is made and an agreement reached. These are only a relatively small number of block bookings for the two sites. At Abbey Fields there was no record of a current booking for Baginton Swimming Club.

Risk

The absence of any paperwork could lead to disputes over their usage of the pool and the agreed charge.

Recommendation

All block bookings should be evidenced by an application form and a letter of approval.

- 4.8.8 Increasingly regular users of all leisure centres are opting to pay monthly by direct debit with the income being collected centrally and then allocated to each site.
- 4.8.9 When a customer chooses this option they pay the portion of the month remaining at the time of the application and for the following month. Future payments are collected by direct debit. The direct debit form is completed on site and the top copy is forwarded to Riverside House for action.
- 4.8.10 At Castle Farm copies of the direct debit form detailing customers' names, addresses and bank details are kept in an unlocked cabinet in the office.

Risk

Customers bank details could be used for fraudulent purposes.

Recommendation

Copies of direct debit forms should be destroyed when no longer needed and stored securely in the interim.

- 4.8.11 A change to procedures since the last audit has been the introduction of control sheets to record all of the relevant details relating to the issue of membership cards. The sheets are being used but at Castle Farm they are occasionally missing some of the detail and also they are sometimes difficult to decipher. It is acknowledged that Castle Farm does not have a full time receptionist and that duties associated with that post are carried out by supervisors and instructors.

Risk

The benefits of the increased control features resulting from the card issue sheets are reduced if the sheets are poorly and not fully maintained.

Recommendation

Staff at Castle Farm should be made aware of the need to enter complete details on the card issue sheets and also that they are clearly legible.

- 4.8.12 Following completion of the site visits and testing some sample testing was carried out centrally to compare the details entered on the card issue sheets to those held in Flex. There was an issue relating to cards

issued at Castle Farm in that the receipt details relating to the initial on site payment were missing from the screen in Flex containing the card number and the member's details. The receipt number field should be populated automatically when the card is issued and the payment is taken. The receipt details were entered on the sheets. It was not evident why this is happening but it was thought to be due to either rushing the process, staff inexperience of Flex or the way that Flex is set up at Castle Farm.

Risk

The incorrect set up of Flex or the card issue procedures at Castle Farm could mean that data that is part of the system of control is not collected.

Recommendation

Card issue procedures and the set up of Flex at Castle Farm should be reviewed to ensure that all necessary data is captured by Flex as intended.

4.9 Financial administration

4.9.1 The centre manager is responsible for budgetary control which she carries out in conjunction with the Business Support Officer.

4.9.2 An examination of recent budgetary outturn for the two sites revealed nothing untoward save for payments for electricity at Abbey Fields in 2010/2011 of over £76,000 against a budget of £5,300 – payments for energy usage and associated monitoring are dealt with by Housing and Property Services. The explanation provide by Finance was that Southern Electricity had billed the council for undercharging that was the result of a miscalibrated meter installed by them in 2004.

4.10 Facilities risk management

4.10.1 Both sites have standard security measures in place – fire and intruder alarms, CCTV and coded locks to restricted areas. Key holding is kept to a minimum – manager and supervisors.

4.10.2 Both sites have an inventory which is updated and forwarded to the Insurance Officer annually. There are no hard and fast rules about inventories but in the case of leisure centres it would be advisable for them to be updated on an ongoing basis given the value of equipment that is sometimes purchased.

4.10.3 During the audit it was observed that new table tennis tables had been delivered to Castle Farm recently and that replacement gym equipment was on order.

Risk

In the event of fire or theft the accuracy of an inventory could be disputed leading to reduced or delayed claim settlement.

Recommendation

Any significant changes to inventories should be recorded and notified to the Insurance Officer as they occur.

5. SUMMARY AND CONCLUSION

- 5.1 The audit concluded that there are sound controls in place over the management of most aspects of Abbey Fields and Castle Farm Leisure Centres. However, concerns exist in a number of areas, although none of these are deemed significant, especially if addressed.
- 5.2 The audit can therefore give a MODERATE level of assurance that the systems and procedures in place are appropriate and working effectively.