

FROM: Audit and Risk Manager **SUBJECT:** Events Management
TO: Head of Development Services **DATE:** 31 March 2020
C.C. Chief Executive
Deputy Chief Executive (BH)
Business Manager – Projects and
Economic Development
Business Support Team Manager
Portfolio Holder (Cllr Rhead)

1 Introduction

- 1.1 In accordance with the Audit Plan for 2019/20, an examination of the above subject area has recently been completed by Jemma Butler, Internal Auditor, and this report presents the findings and conclusions for information and action where appropriate.
- 1.2 Wherever possible, findings have been discussed with the staff involved in the procedures examined and their views are incorporated, where appropriate, into the report. My thanks are extended to all concerned for the help and cooperation received during the audit.

2 Background

- 2.1 This is the second audit of Events Management, including Mops and Markets. Over the last few years the Events team have undergone a number of changes, including a restructure and a high turnover of staff.
- 2.2 The Events team organise around 150 events each year, including the Christmas light switch-on in Leamington, Warwick and two in Kenilworth. Liaising with the organisers and local business, they try to achieve a positive impact out of each event. They also manage a number of event-based contracts. The team absorbed the town centre management roles as part of the restructure, providing business support for the local town centres and partnerships within them.
- 2.3 The high turnover of staff has resulted in the remaining staff working extra hours to manage the workload and, as a result, the business support side of the role has been neglected with the events taking priority.
- 2.4 There is very little income for the service as most events are provided at no cost to the organisers, with the Council absorbing any costs incurred from support and other services, including additional bins, grass cutting and staff time. Over the last three years the events budgets have

operated at a loss. However, there are a handful of events where some of the costs incurred are recharged, including the annual mop and runaway mop, the markets, Pub in the Park and Fake Festival.

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:

- Policies and procedures
- Contractual agreements and legislation
- Insurance, risk assessments and health and safety
- Income and expenditure
- Staff roles and responsibilities
- Event management
- Business support.

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

- Staff are aware of the processes to follow in order to ensure that the mops/markets/events are appropriately run and managed.
- Events are run appropriately by relevant appointed contractors.
- The Council is protected in the event of the contractors failing.
- The Council meets its legislative requirements with regards to the running of events.
- The Council is aware of the risks in relation to the running of events and has taken steps to address them.
- The Council will not be liable for any claims received that are the responsibility of the event organisers.
- Events are run safely.
- The Council is aware of any potential budget variances.
- All purchases are valid, bona fide and transacted only with the consent of authorised budget holders.
- Goods and services procured are competitively priced, with the procurement processes complying with relevant legislation.
- Only authorised staff are able to use procurement cards held.
- Procurements cards are being used appropriately.
- The Council is not financially disadvantaged for supporting 'commercial' events.
- Customers are aware of the amount they are expected to pay for using the Council's services.
- Income is maximised.
- The Council receives all income that is due.
- The method of income receipting / ticketing is appropriate to the event.
- Staff are aware of their roles and responsibilities.
- Casual staff and volunteers are properly appointed and are only paid for time worked (casual staff).
- Staff working hours when covering events are verified.

- Overtime / hours worked by staff is managed.
- Management are aware of valuable items held on site.
- The facilities in place are used appropriately by the organisers.
- Event timing is managed.
- Event staff and organisers have clear information on their expectations when running events.
- Members of the public are aware of the events, markets and mops within the district.
- Management is aware of how the service is performing.
- Feedback is actively sought and used to develop the service provided.
- Partnerships with other Council services are productive.
- Business Support Officers have strong partnerships within the town centres.
- The events are proactively marketed to local businesses.
- Events have a positive impact on local businesses.
- Events increase the general footfall in town centres.

4 Findings

4.1 Recommendations from Previous Report

4.1.1 The current position in respect of the recommendations from the previous audit, undertaken in February 2018, were also reviewed. The current position is as follows:

Recommendation	Management Response	Current Status
<p>1 On completion of the next extension or relet of the two market contracts (whichever is the sooner), procedures should ensure that the both agreements are properly executed and signed originals duly lodged in the Document Store.</p>	<p>This will be completed when it is necessary as determined by the expiry of the current contract.</p>	<p>There is a signed contract in place with CJ's Events. Signed in 2015 for a three-year contract with option to extend for a further two, it has been extended an additional year on top of that. The other market contract with Sketts expired in 2019. The Business Support Team Manager is working with Procurement to go to tender.</p>

Recommendation	Management Response	Current Status
<p>2 A retrospective review of stallholder statistics from the start of the general markets contract should be instituted to determine and recover the shortfall of income to the Council to date.</p>	<p>I will undertake this review in due course to assess if income has been lost, and if appropriate whether it can be retrieved.</p>	<p>This has been carried out and there was no shortfall. In fact, CJ's had been overpaying so the Council reimbursed them approximately £22k. Figures are now assessed on a monthly basis and invoiced accordingly.</p>
<p>3 Measures should be taken to ensure that meetings with the contractor incorporate a review at least six-monthly to set the ongoing monthly instalment amounts to be billed in accordance with the general markets contract.</p>	<p>The meetings already incorporate a review of stallholder numbers, but I will ensure that a record is kept, and that the stallholder numbers is reflected in what we charge the contractor.</p>	<p>The meetings continue to incorporate a review of stall holder numbers. However, the bills are generated on a monthly basis so this recommendation no longer applies.</p>
<p>4 Missing periodic returns on weekly stallholder numbers should be re-requested from the contractor. Procedures should ensure that all returns are submitted promptly by the contractor and retained for reference.</p>	<p>I will ensure that these numbers are kept and updated, and that the evidence of these is kept.</p>	<p>These are all stored on a spreadsheet which is then used to calculate the invoice.</p>
<p>5 Periodic officer spot-checks on stallholder numbers should be undertaken and results logged.</p>	<p>I will ensure that a system is put in place to ensure that spot checks are completed going forward.</p>	<p>Spot checks are completed amongst the team. The number of stall holders are verified against the figures provided by CJ's.</p>

Recommendation	Management Response	Current Status
6 The status of the Operational Agreement as a true 'licence' document should be clarified with the aid of legal advice.	I will speak to legal to assess what the status is of the documents that relate to the Mop.	The status of this remains unknown. It is going to be looked into as it is a charter event and an agreement is in place so the Business Support Team Manager is going to check if the operational agreement can be used as the licence. This will then be confirmed in writing.
7 An update on the management of Mop Fairs should be reported to Members, including deviations from the 2014 Executive resolution.	I will assess any deviations that have been made from the 2014 Executive resolution, and update management.	Completed and no changes to update.
8 Any proposal to extend the opening time beyond 10.00pm on any Mop day in 2018 or 2019 should be submitted for Executive approval.	We have no plans to extend the opening time, but will ensure that the Operator only opens within the set hours.	The Mop closes at 10pm as agreed.
9 Unless formally withdrawn in the meantime, the approved changes to the Mop licence under the 2014 Executive resolution should be revisited as part of the re-letting process for the Operational Agreement covering Mop Fairs in 2020 and beyond.	Any changes that are required to the 2014 Executive resolution will be revisited as part of the re-letting process.	The current Mop agreement runs from 2014–2024 so this recommendation will be considered as part of the re-letting process.
10 Procedures should ensure that the financial security provisions of the Operational Agreement for the Mop Fairs (Clause 12) are complied with and retrievable copies kept of any bonds.	I will address any issues around the deposit or bond by Mop 2018.	The previous method of taking deposits has now been documented. However, a suitable solution needs to be identified to enable future deposits to be collected and returned to the Mop organisers.

Recommendation	Management Response	Current Status
<p>11 The Markets Policy should be revised to:</p> <ul style="list-style-type: none"> • update (or remove) the market operator contact details; • clarify the distinction between notice requirements under Section 37 and the Council rights of prohibition under Food Act 1984; • reinforce the one-month period of notice required under Section 37 and liability to summary conviction for an offence if flouted. 	<p>I will ensure that these points are addressed with regards to the details and distinctions made within the Markets Policy, and correct these where applicable.</p>	<p>Not all of these points have been addressed to date. However, the policy is due for review and all points will be considered and where possible incorporated into it.</p>
<p>12 Appropriate publicity should be initiated for the Markets Policy following revision, including publication on the Council's website.</p>	<p>I will ensure that the marketing of the District's Markets Policy is appropriate.</p>	<p>The current markets policy is available on the Council's website but isn't publicised. The definition of markets within the policy is limited, so other types of market may be unaware of it.</p>
<p>13 An update to the Scheme of Delegation should be sought to the effect that authority to determine applications for markets and exercise the Council's rights of prohibition under Part III of the Food Act 1984 are delegated to the Head Development Services.</p>	<p>I shall seek an update to the Scheme of Delegation.</p>	<p>No formal scheme of delegation could be found. When a new event application is received it is discussed within the team and, if refused, agreement is sought from the Head of Service.</p>

4.2 Policies and Procedures

- 4.2.1 There is a policy in place for markets, fairs and car boot sales. This is available to members of the public through the events page on the Council's website. The policy states relevant legislation, i.e. the Food Act

1984 and Section 37 of the Local Government (Miscellaneous Provisions) Act 1982.

- 4.2.2 The policy identifies a market as “a concourse of buyers and sellers”. This includes markets, car boot sales and fairs of any type e.g. antiques, coins, arts and crafts etc.
- 4.2.3 New markets are required to give notice to the Council at least four weeks before the event. As Warwick Market is a Charter market the Council can refuse permission for any (other) market held within a certain radius on a Saturday (the day the Warwick market is held). However, there is no penalty enforced if notice is not provided and no appeals procedure in place for any markets refused.

Risks

Markets that are refused permission may be held regardless of the decision made.

As there is no appeals process there may be a risk of organisers feeling unfairly treated.

Also see previous recommendation number 11.

Recommendations

A penalty should be established for markets that go ahead without approval.

An appeals process should be established to allow organisers the opportunity to appeal should permission be denied.

- 4.2.4 The markets policy is available on the Council’s webpage but is not advertised, so members of the public and organisers may not realise that the policy could apply to them if they are running a car boot or fair. Checks are not carried out to find unauthorised markets operating within the area.

Risk

Markets may be operating in the district without appropriate authorisation.

Also see previous recommendation number 12.

Recommendation

The markets policy should be publicised appropriately to create awareness of it amongst organisers and venues within the district.

4.3 **Contractual Agreements**

- 4.3.1 There are currently four contracts in place with a fifth due for renewal. The contracts are for the weekly markets and car parking management at the Leamington Bowls, both currently held by CJ's Events, the annual mop fair and runaway mop, held by Wilsons Amusements and Hi-lite who are contracted to store, maintain and install the Kenilworth Christmas Lights. The contract for the seasonal markets was held by Sketts but expired in 2019 so is now due to go out for tender.
- 4.3.2 The contracts for both the Christmas lights and car park management at the bowls national events expire within the next few months so they have already begun to be evaluated to be re-let along with the expired seasonal market contract. as a result, those contracts were only briefly reviewed as part of the audit. A more in-depth review was carried out on the markets and mop contracts.
- 4.3.3 The contract with CJ's Events for the markets was reviewed and it was confirmed that the appropriate documents were held in the document store and these were found to be complete and signed. The contract, which has been in place since February 2015, was for three years with an option to extend a further two. However, an exemption was sought and the contract was extended for an additional year (expiring in January 2021). The contract provides a framework for the running of the markets and a payment schedule.
- 4.3.4 Wilsons Amusements hold the contract for the annual Mop and Runaway Mop fairs. The Mop Fairs review, approved at Executive in September 2014, refers to the conditions of the Mop licence, but only an operational agreement could be found. The agreement was signed in August 2015 and runs for up to ten years with the option to cancel after the initial five. The framework for running the mop is clearly documented within the agreement.

Risk

The operating agreement in place may not be a true licence, so provisions made for the conditions of the licence may not apply.

Also see previous recommendation number 6.

Recommendation

The status of the Operational Agreement as a true licence document should be clarified with legal advice and documented for future reference.

- 4.3.5 Meetings are held frequently with the market operators to discuss any changes or issues arising. There are no KPIs within the contract but plans are in place to ensure they are written into the next contract once an operator has been selected.

- 4.3.6 Meetings are held with the Mop operator a number of times before the mop events and again afterwards. This allows any concerns or issues to be raised and ideas to be circulated.
- 4.3.7 The agreement for the Mop requests that either a bond or deposit of £10,000 should be in place. There is no evidence to show that a bond has ever been received and no deposit has been taken in recent years. After further investigation it was found that, in the earlier years of the agreement, a deposit had been received annually in cheque form, this was then stored in a safe until after the events had completed when it was then destroyed and returned to the operator.

Risk

There may be a risk of contractual agreements not being followed which could leave the Council liable for additional costs.

Also see previous recommendation number 10.

Recommendation

Payment of bonds or deposits specified in contractual agreements should be followed and incorporated into a procedure document for staff to follow in the future.

- 4.3.8 As suggested above, the markets policy restricts other markets within a specific radius from Warwick market (six and two thirds of a mile). This is as the crow flies and includes areas not within the District. The distance was determined historically as part of the Chartered Markets and was said to be how far an ox could walk in one day.
- 4.3.9 Markets within this range are not actively monitored, although the team may occasionally be made aware of others within the District. Any markets outside of the District are not looked at. As stated at 4.2.2 above, markets include all types of fairs and car boot sales, but the team only challenge traditional markets.

Risk

Legislation may not be adhered to correctly or at all.

Recommendations

There should be clarification over the definition of "markets" and staff should be following the legislation as appropriate.

The markets policy should be reviewed and updated accordingly.

4.4 Insurance, Risk Assessments and Health and Safety

- 4.4.1 All event organisers provide risk assessments as part of the booking process. The market and Mop operators are also required to submit

them on an annual basis. The risk assessments are all stored in the relevant event folder on the shared drive and can be accessed by all Events staff.

- 4.4.2 The service area risk register was reviewed and no risks have been identified for the Events team. There are some generic risks listed that could apply to events, such as lone working, but the mitigations and controls in place are more appropriate to the roles of staff who are visiting construction sites so do not apply.

Risk

Events staff roles may not have been considered when reviewing the risk registers.

Recommendation

The role of the Events staff should be considered when reviewing the risk register to ensure appropriate measures are in place to reduce any risks relevant to them.

- 4.4.3 All event organisers are expected to provide their own insurance when carrying out an event and a copy of the insurance in place is requested as part of the application. Both the market and Mop providers have liability insurance in place for £10m. Documents to show the insurance in place for each event is saved in the relevant folder in the shared drive.
- 4.4.4 The Safety Advisory Group (SAG) review the event plans for some of the higher risk events. This allows them to provide advice and feedback and suggest changes where needed. The SAG is made up of various local services such as councils, police and fire services.
- 4.4.5 Site security is set out in the event plan so any concerns can be raised and discussed with the organisers in advance of the event, giving them time to make appropriate changes. Events organised internally, either by the Events team or another service area within the Council, use the Purple Guide to plan the appropriate security measures.
- 4.4.6 Events staff do not use signing-in sheets when working at an event. They are allocated a radio and they text another staff member to let them know they have arrived at the event and text again when they leave.
- 4.4.7 Not all events are staffed by the Events team. Instead a member is available "on call". Event organisers are provided with the contact details of both the staff member on call and the Ranger service. The Rangers have a contact sheet which should enable them to contact the appropriate person should any issues arise.
- 4.4.8 There is no inventory in place for items of value that might be used at events. The only items that the Events team have which are used at

events are the radios used to contact each other, event organisers, security and the CCTV team. There are 18 of them and each one has to be signed in and out. This forms an inventory as each radio can be accounted for.

- 4.4.9 There are no formal terms and conditions in place to provide event organisers with operating guidance when holding events on our land and within our parks and open spaces. There is an events guide / manual being worked on which will serve as an operating manual for both staff and event organisers. (This is covered further in 4.7.3)

4.5 **Income and Expenditure**

- 4.5.1 The budgets have frequently been overspent over the last few years. The Business Support Team Manager (BSTM) has monthly budget meetings with the Assistant Accountant to help keep budgets on track where possible. The Business Manager – Projects and Economic Development has submitted a bid for recurring growth for the Events budgets in the current budget-setting report. One of the main reasons budgets are consistently over spent is down to the fact that no charge is made for supporting the events held. This results in the Council absorbing any costs incurred for services such as additional bin collections, grass cutting, ground protection etc.
- 4.5.2 Purchases are usually made using purchase cards or staff reclaim the cost through the payroll expenses system. Both methods of purchase have appropriate measures in place and checks are carried out to ensure that they are valid purchases. One-off purchases do not happen frequently and are usually for low cost items.
- 4.5.3 A review was carried out of the higher cost spending and suppliers that are frequently used. There are concerns that some suppliers are being used that aren't listed on the contract register and spending with them is over the threshold. The Procurement team confirmed that suppliers need to be on the contract register when spending with them is in excess of £5K. Where spending is over £10K, a formal procurement route needs to be taken. The spending applies to both one-off spending and accumulated spending over three years.
- 4.5.4 The main concerns were with:
- Stadium – for traffic management at both the Leamington and Kenilworth Christmas lights switch on. The spend with them in the current financial year is roughly £12k. The traffic management was for counter terrorism initiatives and was actioned by The Chief Executive using delegated powers.
 - CJ's Events – in addition to the existing contracts, they have been used for various services such as: traffic management, road closures, security, and hire of market stalls. Expenditure with them (over and above the existing contracts) is approximately £51k in the current financial year and c£164k across the last three years. It has been

recognised that not all of the spending is through the events team; it is a mixture of service areas across the Council.

Risk

There may be a breach of the Council's procurement rules.

Recommendations

A formal review of expenditure with suppliers should be undertaken by service managers, with the appropriate procurement practices being followed for all suppliers.

The Procurement team should be contacted immediately to discuss the issues regarding the expenditure with CJ's Events.

- 4.5.5 There are no fees set for the hire of Council land for events. This means that the Council absorbs the costs incurred when managing the majority of events. Fees are set by the Council per stall rental at the Warwick Charter market (£33) and Kenilworth market (£29.25). CJ's Events are paid this directly and the Council receives a percentage from CJ's depending on how many stalls are rented.
- 4.5.6 The market contract requests payment from CJ's on a monthly basis. Checks carried out by the BSTM, to ensure that previously received payments were correct (as recommended in the last audit), showed that CJ's had been overpaying for a number of years. The Council refunded the overpayments totalling c£22k. To prevent this from happening again the BSTM now calculates the income due on a monthly basis. Spot checks are carried out at the markets by the Events team to confirm the number of stall holders match the figures provided.
- 4.5.7 Income is received from two 'new' events, who pay an agreed fee which helps to cover the costs incurred by the Council. Pub in the Park, held in St Nicholas Park, agreed to pay fees on a sliding scale (£10k in year one, £14k in year two, and £18k in year three). Fake Festival, held in Victoria Park, pays £1 for every ticket sold.
- 4.5.8 As suggested previously, the costs incurred in relation to hosting events include fees for grass cutting, rubbish bin provisions and disposal of waste, standpipe installations and water bills. Staff hours are not taken into account when calculating the costs involved in running an event.
- 4.5.9 Income for events cannot be maximised unless there are fees and charges in place for the management of events and use of Council parks and open spaces. Some events may increase the general footfall within the towns but many are located within parks with no need for the attendees to visit the town centre shops.

Risk

There may be a continuous overspend due to the Council not recovering costs incurred when hosting and managing events within the district.

Recommendation

The potential of charging for events should be explored. This will allow the team to maximise their income and reduce the current overspending of budgets. If it is decided to charge, a formal scale of fees and charges should be put in place.

- 4.5.10 For the Mop fairs, Wilsons Amusements are invoiced after the final costs incurred have been calculated. This is paid as a one-off annual sum and covers the cost of waste disposal, traffic management and other items that have needed to be carried out to enable the Mop to take place. It does not include any sums towards the time taken managing or providing staff for the event.
- 4.5.11 An event run last year, in partnership with LEP and WCC, used PayPal to collect payment for tickets and, due to changes in staff within the Events team, it has been difficult to recover the funds. An Internal Audit review of the issues in relation to this has recently been concluded and reported on separately.
- 4.5.12 Eventbrite has been used for the same event this year to sell tickets. It was confirmed that the account administrator is not a Council employee and the Council does not have access to the account. Once the final balances are calculated, all monies for tickets and exhibitors have been collected and all invoices have been paid, any monies owed between the partnership is calculated and agreed. An invoice for any funds owed will be issued to the relevant partner organisation.

4.6 Staff Roles and Responsibilities

- 4.6.1 There has been a high turnover of staff within the Events team over the last few years as well as them undergoing a restructure. Currently, there is one vacancy being recruited for and another only recently filled. The team consists of three Business Support and Events Officers and a Business Support Team Manager.
- 4.6.2 Volunteers are occasionally used to help at events, such as the cycle tours. These tend to be existing Council staff, which ensures that they are covered by the Council's liability insurance. Other than this, volunteers are not used from outside of the organisation.
- 4.6.3 Rotas are not used when staffing events as staff have previously been allocated events to manage themselves. The way events are run is under review and the outcome is more likely to result in the team working together on events and working shifts. This will help to stop the

need for them to work long hours, reducing fatigue, build-up of lieu time and, as a result, reduce sickness within the team.

- 4.6.4 The team do not get paid for overtime; instead they take time off in lieu. This is monitored and signed off by the BSTM. Previously the team have tried to staff most of the events but it has been identified that they are often not needed. The BSTM has begun to change the approach to staffing events by having an on-call role. This allows the team to continue with their day-to-day workload whilst remaining reachable if they are needed.

4.7 **Events Management**

- 4.7.1 Monthly meetings are held with other service areas within the Council. This give the Events team the opportunity to discuss upcoming events and ensure there are no clashes with events planned in the other services. The BSTM is working on a calendar that can be shared with the other services on which all events can be displayed.
- 4.7.2 The team use a spreadsheet to monitor and plan the events within the district. The spreadsheet has various columns which allows the team to monitor the documentation as it comes in and ensure everything has been received before deadlines.
- 4.7.3 A manual for both staff and event organisers is currently being worked on. This has been put together with input from other services areas to ensure the information included is up to date and correct. It incorporates guidelines from the other services, such as Open Spaces where there are various restrictions and guidance in place to help protect the parks. It will also contain relevant information about legislation that might apply.
- 4.7.4 The staff follow a procedure when managing the events, which ensures they request the correct documents when an organiser applies. Each event is evaluated on the level of risk and categorised into a group, from one to three. This then determines what information they require.
- 4.7.5 Events, markets and the Mop are publicised through the 'What's On' guide, social media and the website. Organisers and operators also promote them themselves. Mail shots are circulated to the local businesses and residents for some events, ensuring they are aware of the event and any road closures that may affect them.

4.8 **Feedback, Reporting and Development**

- 4.8.1 The Service Area Plan for Development Services was reviewed and it was identified that there are no measures included for Business Support and Events. This makes monitoring difficult as there are no KPIs to work towards, improve or maintain.

Advisory

The Head of Development Services should consider including measures in the Service Area Plan for the Business Support and Events team.

- 4.8.2 There are no KPIs included in the contracts for the markets or Mop so comparisons and monitoring is ineffective. This is something that the BSTM is working on to add into the contracts as they expire and are replaced.
- 4.8.3 Feedback is not actively sought from event organisers or providers of the markets and Mop although general feedback might be received at meetings with the market providers regarding changes to layouts. Event organisers and the Mop provider discuss any issues or may suggest changes before events but this is often received too late to be implemented.
- 4.8.4 Feedback from members of the public is not actively sought. Event organisers might request feedback but this isn't passed back to the team. Some feedback is gained through complaints about events or comments made on social media. Social media listening is used on Twitter to pick up comments and tweets about the Council and local events, with any comments picked up being passed to the Events team to give them the opportunity to respond.
- 4.8.5 Members of the public tend to contact the Council to complain about events because they effect residential areas and disrupt the traffic and parking within the towns. Although not all complaints can be resolved, the team try to accommodate them where possible. One example of this was where complaints had been received about the volume of the music at the Pub in the Park event on the first night. The event organisers were notified and the music volume was reduced on the second night.
- 4.8.6 As feedback isn't actively sought, the only comments received are usually complaints. Without feedback there is little information available to inform the Council how successful an event has been, if people have enjoyed it, and if the local businesses have benefited from it.

Advisory

It could be beneficial to gain feedback in respect of some of the events run. This would help to show where changes could be implemented and to ensure the events we host have a positive impact within the district.

4.9 Business Support

- 4.9.1 The business support side of the role has been neglected over the last few years, partly due to lack of resources. The number of events managed have increased and there has been a high turnover of staff. Town centre partnerships are no longer maintained in the same way as

they were previously and town centres do not have a dedicated staff member as a point of contact. The Events team do work with BID, LEP and the Chamber of Trade, as well as meeting with the Town Councils to discuss upcoming events.

- 4.9.2 Local businesses are included in mail shots when there is an event local to them to encourage them to get involved and to provide them with information about the event. In some cases, they are also asked to contribute to events, such as the Christmas lights.
- 4.9.3 Where events are smaller in scale and will effect only a small number of businesses, face to face meetings may be held. This has been the case for the Covent Garden market and the men’s cycle tour (Tour of Britain).
- 4.9.4 The impact the events have on the local business is not measured. Discussions with the local businesses may obtain this information but at present this is not actively carried out.
- 4.9.5 The economic impact of individual events is assessed but only at the location of the event. The assessment doesn’t include any impact to existing businesses in the areas.

Advisory

The Events team could arrange to have discussions with local businesses after events have ended. This would allow the impact of the events to be reviewed. These discussions would enable the events team to ensure the events were having a positive impact on the local economy.

5 Summary & Conclusion

5.1 Following our review, we are able to give a MODERATE degree of assurance that the systems and controls that are currently in place in respect of Events Management 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.

5.3 There were issues, however, identified during the course of the audit relating to:

- Lack of penalty in place to prevent markets going ahead without approval.
- Lack of appeals process for markets.
- Lack of public awareness of the markets policy.
- The Mop operational agreement in place may not be a true licence.
- Failure to follow contractual agreements.
- Failure to follow legislation for the Charter Market.
- Events staff not being included in the risk registers.
- Breaching procurement rules.
- The risk of continuous overspend due to lack of income.

5.4 Advisories were identified relating to:

- No measures included in the service area plan.
- Lack of feedback sought regarding events within the district.
- The impact on local businesses not being reviewed.

5.5 It should be noted that, of the above recommendations, four were also recommendations in the previous audit.

6 **Management Action**

6.1 The recommendation above is reproduced in the attached Action Plan (Appendix A) for management attention.

Richard Barr
Audit and Risk Manager

Action Plan
Events Management – March 2020

Report Ref.	Recommendation	Risk	Risk Rating*	Responsible Officer(s)	Management Response	Target Date
4.2.3	A penalty should be established for markets that go ahead without approval.	Markets that are refused permission may be held regardless of the decision made. Also see previous recommendation number 11.	Low	Marcus Ferguson	This will form part of a bigger piece of work that is going on to rejuvenate the markets. The Market policy and the pricing structure are all being looked at. As part of that review, and in light of emerging CV-19 plans to restart the markets and events once it is appropriate to do so, we will consider the merits of a penalty for markets operating without permission.	December 2020
4.2.3	An appeals process should be established to allow organisers the opportunity to appeal should permission be denied.	As there is no appeals process there may be a risk of organisers feeling unfairly treated.	Low	Marcus Ferguson	Part of the same piece of work mentioned above. The whole process of new markets needs looked at and the practicalities of this recommendation will be considered in light of the overall markets review.	December 2020

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4.2.4	The markets policy should be publicised appropriately to create awareness of it amongst organisers and venues within the district.	Markets may be operating in the district without appropriate authorisation. Also see previous recommendation number 12.	Low	Marcus Ferguson	The Business Support & Events pages on the website are being reviewed and improved. We have already started benchmarking with other councils. This work is already underway and will form part of the overall Departmental and Council wide restart of events and markets post the current CV-19 crisis.	December 2020
4.3.4	The status of the Operational Agreement as a true licence document should be clarified with legal advice and documented for future reference.	The operating agreement in place may not be a true licence, so provisions made for the conditions of the licence may not apply. Also see previous recommendation number 6.	Low	Marcus Ferguson	This is a long-standing issue and as part of this report, the Team Manager will ensure sure that this is looked over by our legal team and not just taken as a given.	September 2020
4.3.7	Payment of bonds or deposits specified in contractual agreements should be followed and incorporated into a procedure document for future staff to follow.	There may be a risk of contractual agreements not being followed which could leave the Council liable for additional costs. Also see previous recommendation number 10.	Medium	Marcus Ferguson	This process does need to be re-enforced and implemented. This may be as simple as taking a cheque and holding it in our safe until the mop is finished and then returning it or cashing it depending on any damages. The BSE Team Manager will discuss this with our legal team.	October 2020

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4.3.9	There should be clarification over the definition of "markets" and staff should be following the legislation as appropriate. The markets policy should be reviewed and updated accordingly.	Legislation may not be adhered to correctly or at all.	Low	Marcus Ferguson	This will be looked at as part of the market policy and a map of the chartered area will be produced so that we can look at the area covered and if there are any markets taking place. Other councils that are affected by this charter will be contacted to make sure they are aware of the area covered.	December 2020
4.4.2	The role of the Events staff should be considered when reviewing the risk register to ensure appropriate measures are in place to reduce any risks relevant to them.	Events staff roles may not have been considered when reviewing the risk registers.	Low	Martin O'Neill	The risk register is reviewed regularly and this will be raised as a risk and monitored going forward.	Immediate and ongoing.
4.5.4	A formal review of expenditure with suppliers should be undertaken by service managers, with the appropriate procurement practices being followed for all suppliers.	There may be a breach of procurement rules.	Medium	Marcus Ferguson	Business Support and Events Team Manager has already looked into the current and historic expenditure with suppliers and made some improvements. This work will be ongoing and continued close monitoring with the Procurement Team will take place. It is recognised that this issue does not lie solely with events and markets.	January 2021

Report Ref.	Recommendation	Risk	Risk Rating*	Responsible Officer(s)	Management Response	Target Date
	The Procurement team should be contacted immediately to discuss the issues over the expenditure with CJ's Events.		Medium	Marcus Ferguson	I have already spoken to Procurement and we are looking at ways that this element can either be included in an existing contract or the creation of a new contract to go out for tender.	Ongoing
4.5.9	The potential of charging for events should be explored. This will allow the team to maximise their income and reduce the current overspending of budgets. If it is decided to charge, a formal scale of fees and charges should be put in place.	There may be a continuous overspend due to the Council not recovering costs incurred when hosting and managing events within the district.	Low	Marcus Ferguson / Martin O'Neill	This is already underway through conversations with the Portfolio Holder. We are doing research on other councils and what they do and don't charge for and how much they charge. We are also listing the events we have and what it currently costs the council to put on. Current year budgets have been uplifted to reflect the actual costs of events and markets as they stand but it is recognised that the service area should look to maximise income and reduce expenditure for the Council going forward.	November 2020

* 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.