

<b>MEETING</b>	<b>AUDIT COMMITTEE</b>
<b>DATE OF MEETING</b>	<b>13 February, 2012</b>
<b>TITLE</b>	<b>The Department's response to Internal Audit Reports on Bro Ffestiniog Swimming Pool, Blaenau Ffestiniog</b>
<b>PURPOSE</b>	<b>To report on the background of the action and the current situation.</b>
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## **1. Purpose of the Report**

1.1. The purpose of this report is to report on the Department's response to the Internal Audit Report published in February, 2011 along with the Follow-up Memo published on 29 September, 2011 to the original report on Bro Ffestiniog Swimming Pool, Blaenau Ffestiniog.

## **2. Background**

2.1. As part of the Internal Audit Department's audit programme during 2010, five of the County's leisure centres were audited and three of them fell into opinion category 'C' in terms of compliance with either financial regulations or the Council's implementation procedures and Bro Ffestiniog Leisure Centre was one of the centres in this category.

2.2. In response to those reports, the Department prepared a report to the Audit Committee in July, 2011 under the title *'Report on the Department's intentions to respond to internal audits on leisure centres'* noting what the Department's intentions were in terms of responding to the situation and alleviating the identified risks.

## **3. Progress to date against the *'Report on the Department's intentions to respond to internal audits on leisure centres'***

3.1. Integrated Management System (point 4.2.1 of the report referred to above in 2.2) - Specific deficiencies were noted regarding the leisure centres' banking arrangements. As a way of alleviating the risks it was noted that improvements were needed to the management system in terms of quality assurance and staff training. We can report that this work was completed in November, 2011.

3.2. By now, the Department has received a positive internal audit report in December 2011 on Leisure Centres' Banking Arrangements and has also implemented the recommendations for action in that report.

3.3. Departmental Restructuring – the structural changes referred to in the previous report (4.2.2 and 4.2.3) have now been completed and are in place. However, the Quality Monitoring Assistant is on long term sickness absence and, therefore, the Department can not fulfil the monitoring role in accordance with the current wishes. Unfortunately, there is no sign as to when the member of staff will be back at work; however, the Business Support Officer is available to update the action guidelines and to undertake staff training.

#### **4. Progress against the Recommendations of the Internal Audit Report on Bro Ffestiniog Leisure Centre (February, 2011)**

4.1. A total of 21 recommendations were noted in the report as noted below. Out of the 21, the Centre implemented eight of them in full and 12 in part by September, 2011 as noted in the Follow-up Memo following the Follow-up Audit dated 29 September, 2011. That memo refers to some relevant considerations; however, these are noted in detail below.

4.1.1. Managerial Changes (Bro Ffestiniog Leisure Centre) – The Department suspended the Centre Manager from his work in December, 2010; however the Disciplinary Procedure was not completed until September, 2011. Therefore, during the period between the first internal audit report and the follow-up report there was no permanent manager at the centre. By now, the situation continues to be fragile; however, the Department intends to make a permanent appointment by the end of March, 2012 following completion of a management options appraisal.

4.1.2. I have already mentioned the long term absence of one member of staff within the Department who fulfils the role of Quality Monitoring Assistant. This has had a detrimental effect on the work of monitoring and improving the centre's systems. However, by reprioritising on a short term basis, we have succeeded to improve the situation although work will continue in order to ensure continuous improvement and this can happen sooner once the member of staff has returned to work.

4.2. The current situation in terms of the recommendations noted in the report is that the Centre has now implemented all of the recommendations as noted below in table 1.

Table 1:

<b>Recommendation No.</b>	<b>Recommendation</b>	<b>Status on 1 February, 2012</b>
A01	It should be ensured that the 'Daily Analysis Report', 'Point of Sale Transactions Cancelled' and the 'Record Refunded' reports are produced and checked in accordance with the guidelines/procedures and that the reports are signed and dated which confirms that the correct checks have been undertaken.	This has been completed and is in place.
A02	It should be ensured that a refunds report is produced and reviewed monthly and signed and dated to confirm that the correct checks have been undertaken.	This has been completed and is in place.
A03	It should be ensured that the refund receipts are kept and signed by the customer and a member of staff on every occasion.	This has been completed and is in place.
A04	It should be ensured that log in and log out reports are produced and reviewed monthly and signed and dated to confirm that the correct checks have been undertaken.	This has been completed and is in place.
A05	Two officers who are associated with the banking process should sign the Banking Record Form and the paying-in books to confirm that the information is correct.	This has been completed and is in place.
A06	Every attempt should be made by officers to ensure the accuracy of the money collected and that it is referenced to the correct code within the ledger, which will reduce the use of the surplus/deficit account.	This has been completed and is in place.
A07	It should be ensured that the 'Point of Sale Transactions' reports are produced and reviewed in accordance with the guidelines/procedures and that the report is signed and dated to confirm that the correct checks have been undertaken.	This has been completed and is in place.
A08	It should be ensured that a sufficient explanation is sent to the Area Administrator every time there is a difference of £3.00 or more.	This has been completed and is in place.
A09		
A10	It should be ensured that there is a robust procedure in place to retain and complete Applications to Order Facilities	This has been completed and is in place.

A11	It should be ensured that there is an appropriate procedure in place to deal with the Centre's unpaid invoices during the year.	This has been completed and is in place.
A12	It should be ensured that invoices are raised for every 'Application to Book Facilities'.	This has been completed and is in place.
A13	It should be ensured that there is a difference in duties when ordering, receiving and paying for goods and services so that one officer does not sign the check boxes on the TR252 and certifies it for payment.	This has been completed and is in place.
A14	It should be ensured that invoices are passed forward for payment promptly in order to ensure that they are paid within 30 days.	This has been completed and is in place.
A15	It should be ensured that there is a financial reconciliation form for the hairdryer and that it is signed by two officers every time.	This has been completed and is in place.
A16	It should be ensured that there is a prominent sign in the reception explaining that photographs are not permitted without the prior agreement of the manager.	This has been completed and is in place.
A17	It should be ensured that clear posters forbidding the use of cameras and mobile phone cameras are shown at reception, Sport Hall and toilets etc.	This has been completed and is in place.
A18	The Centre needs to keep a current inventory and update it every time there are any changes e.g. purchases, sales.	This has been completed and is in place.
A19	It should be ensured that an independent officer to the one who keeps the records checks the stock on the property list annually and then signs and dates it.	This has been completed and is in place.
A20	It should be ensured that the property list includes the serial number of every item of property where appropriate.	This has been completed and is in place.
A21	It should be ensured that the Centre marks every item of stock as Council property. This should be considered by using a selectamark or a UV biro.	This has been completed and is in place.
A22	It should be ensured that there is an appropriate procedure to safeguard the Centre's keys that would ensure that officers do not gain access to those areas that they should not.	This has been completed and is in place.