

Audit and Governance Committee Report



20 March 2013

Report of **Audit Manager**

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To: Audit and Governance Committee

DATE: 20 March 2013

Wards Affected
All

Internal audit activity report quarter four 2012/13

Recommendations

That members note the content of the report

Purpose of Report

1. The purpose of this report is to summarise the outcomes of recent internal audit activity for the committee to consider. The committee is asked to review the report and the main issues arising, and seek assurance that action will be/has been taken where necessary.
2. The contact officer for this report is Adrianna Partridge, Audit Manager for South Oxfordshire District Council and Vale of White Horse District Council, telephone (SODC) 01491 823544 and (VWHDC) 01235 547615.

Strategic Objectives

3. Managing our business effectively.

Background

4. Internal audit is an independent assurance function that primarily provides an objective opinion on the degree to which the internal control environment supports and promotes the achievements of the Council's objectives. It assists the Council by evaluating the adequacy of governance, risk management, controls and use of resources through its planned audit work, and recommending improvements where necessary. After each audit assignment, internal audit has a duty to report to management its findings on the control environment and risk exposure, and recommend changes for improvements where applicable. Managers are responsible for considering audit reports and taking the appropriate action to address control weaknesses.

5. Assurance ratings given by internal audit indicate the following:

Full Assurance: There is a sound system of internal control designed to meet the system objectives and the controls are being consistently applied.

Satisfactory Assurance: There is basically a sound system of internal control although there are some minor weaknesses and/or there is evidence that the level of non-compliance may put some minor system objectives at risk.

Limited Assurance: There are some weaknesses in the adequacy of the internal control system which put the system objectives at risk and/or the level of non-compliance puts some of the system objectives at risk.

Nil Assurance: Control is weak leaving the system open to significant error or abuse and/or there is significant non-compliance with basic controls.

6. Each recommendation is given one of the following risk ratings:

High Risk: Fundamental control weakness for senior management action

Medium Risk: Other control weakness for local management action

Low Risk: Recommended best practice to improve overall control

2012/2013 Audit Reports

7. Since the last Audit and Governance Committee meeting, the following audits and follow up reviews have been completed:

Completed Audits

Full Assurance: 1

Satisfactory Assurance: 3

Limited Assurance: 1

Nil Assurance: 0

	Page Ref	Assurance Rating	No. of Recs.	High Risk Recs.	No. Agreed	Medium Risk Recs.	No. Agreed	Low Risk Recs.	No. Agreed
Mobile Home Parks 12/13	N/A	Satisfactory	11	0	0	5	5	6	6
NNDR 12/13	N/A	Satisfactory	6	0	0	2	2	4	4
Wantage Civic Hall 12/13	23	Limited	20	7	7	12	12	1	1
Treasury Management 12/13	N/A	Full	2	0	0	0	0	2	2
General Ledger 12/13	N/A	Satisfactory	12	1	0	0	0	11	10

Follow Up Reviews

	Page Ref	Original Assurance Given	No. of Recs	Implemented	Partly Implemented	Not Implemented	Ongoing
Risk Management 12/13	N/A	Satisfactory	5	3	0	1	1
Freedom of Information 12/13	N/A	Satisfactory	5	5	0	0	0

8. Members of the committee are asked to seek assurance from the internal audit report and/or respective managers that the agreed actions have been or will be undertaken where necessary.
9. A copy of each report has been sent to the appropriate service manager, the relevant strategic director, the section 151 officer and the relevant member portfolio holder. In addition to the above arrangements, reports are now published on the council intranet and committee members are alerted by e-mail when reports are published.
10. Internal audit continues to carry out a six month follow up on all non-financial audits to establish the implementation status of agreed recommendations. All key financial system recommendations are followed up as part of the annual assurance cycle.

Systemic Control Weaknesses

11. **Appendix 2** of this report sets out weaknesses which have been identified within planned audits which internal audit consider to be systemic within the council. Every recommendation made by internal audit since April 2010 has been logged within a recommendation register according to an Institute of Internal Auditors control type definition, and a point system has been used - 1 point for a low risk recommendation, 2 points for a medium risk recommendation and 3 points for a high risk recommendation. The points have been totalled against each control type, and the top 10% control weaknesses which occur across a number of operational areas have been listed as a systemic control weakness. The table will be reviewed and updated by the audit manager, head of finance and the strategic director (section 151 officer) on an ongoing basis, and will be used to inform the annual audit plan and the scope of individual reviews

Financial Implications

12. There are no financial implications attached to this report.

Legal Implications

13. None.

Risks

14. Identification of risk is an integral part of all audits.

ADRIANNA PARTRIDGE
AUDIT MANAGER

1. WANTAGE CIVIC HALL 2012/2013

1. INTRODUCTION

- 1.1 The fieldwork for this audit was between November - December 2012 and the final report was issued on 25 February 2013.
- 1.2 The following areas have been covered during the course of this review to provide assurance that:
- Appropriate policies and procedures are in place for the management of Wantage Civic Hall with roles and responsibilities for all operational functions clearly assigned.
 - Adequate management arrangements are in place for the provision of bar services and the café including stock control.
 - There is an appropriate mechanism to manage bookings.
 - To ensure that adequate arrangements are in place for the receipt of income, processing of refunds and the collection of cash and banking.
 - To ensure that adequate reconciliation and monitoring processes are in place for income and expenditure.
 - To ensure that adequate safety and security arrangements are in place for officers and Council assets.
 - To ensure that sufficient management information is available to support performance.

2. BACKGROUND

- 2.1 WCH has three rooms and two larger suites, which include a large auditorium and a dance studio, available to hire for meetings and functions or events. A café area with free Wi-Fi access is open throughout the day which serves hot and cold drinks and light refreshments. The hall is available for hiring and events Monday to Saturday from 8:30am to 22:00. However at present it is only open when there are bookings or events taking place in order to reduce staffing costs.
- 2.2 WCH is staffed by the following part time officers:-
- Supervisor Civic Hall, 25 hours per week
 - Customer Services Assistant, 30 hours per week
 - Two Duty Officers, 25 hours per week
 - Cleaner, 21 hours per week
- Further support is provided by casual duty officers and casual bar staff.
- 2.3 Findings within this review suggest that there is under usage of WCH, particularly for bar events and functions. The usage of WCH has been assessed as a part of the fit for the future programme, and at the time of review a business case was being prepared with a view to developing a marketing plan for WCH. As part of the budget setting process for 2013/14, growth bids have been submitted for developing the usage of WCH.

3. PREVIOUS AUDIT REPORTS

- 3.1 WCH was last subject to an internal audit review in June 2008 as part of a bar management audit which covered Abingdon Guildhall as well as WCH. Six

recommendations were raised and a satisfactory assurance opinion was issued. A follow up of this review in March 2009 found that all six recommendations had been implemented.

4. 2012/2013 AUDIT ASSURANCE

- 4.1 **Limited assurance:** There are some weaknesses in the adequacy of the internal control system which put the system objectives at risk and/or the level of non-compliance puts some of the system objectives at risk.
- 4.2 Twenty recommendations have been raised in this review. Seven are high risk, twelve are medium risk and one is low risk.

5. MAIN FINDINGS

5.1 Policies and procedures

- 5.1.1 A hardcopy of procedures was provided for all staff dated June 2010. These are being reviewed and updated and 52 were updated in January 2012 and one in March 2012. Approximately 17 procedures still require review and update including lone working arrangements and the security of the hall. The new procedures are currently only held electronically. Roles and responsibilities are clearly assigned within job descriptions for each of the posts. One recommendation has been made as a result of our work in this area. (Rec 1)

5.2 Bar and café services

- 5.2.1 As bookings are taken hirers indicate if they require bar services for the event. Ensuring the bar is suitably stocked for the event is the responsibility of the Supervisor Civic Hall (SCH), who is the designated premises supervisor named on the premises license so has responsibility for ensuring the bar is managed in accordance with licensing legislation.
- 5.2.2 From review of bar income/expenditure forms from April 2012 to October 2012 there have only been 16 bar events in that period with an average income per month of £672.80 excluding VAT. A one off event was identified where, although there were agency caterers, there were insufficient Civic Hall staff.
- 5.2.3 The stock held at the bar is stock checked annually and there is a check undertaken prior to each event which records any orders needed. Checks are not balanced back with the previous check with an adjustment for additions and sales. Hence the check is in effect a snapshot at that point in time and not a reconciliation of stock. The sales records do not detail the item sold, so unless there was a direct computerised link from the till to a stock system it would be difficult to achieve a formal stock control. Four recommendations have been made as a result of our work in this area. (Recs 2 – 5)

5.3 Bookings

- 5.3.1 The majority of bookings are from regular users for classes such as dance classes and weight watchers. Special events, for example pantomimes, are hosted throughout the year and are widely publicised. Regular bookings are treated the same way as any other one off hiring except that they provide an

annual schedule of bookings, usually for the year, and are invoiced on a monthly basis. There are some other exceptions such as the Town Council who have an arrangement to use the venue for up to 50 town council meetings and for 10 events per financial year. Two recommendations have been made as a result of our work in this area. (Recs 6 – 7)

5.4 Income, cash and banking

5.4.1 Income for café sales is put through a till within the café area and for bar takings through a till behind the bar. Bookings for room hire for one off events are normally managed by taking a deposit up front at the time of booking, usually paid by cash or cheque at the time the booking form is provided. Regular bookers pay at the end of the month for the actual usage. Receipts for bookings are recorded in a receipt book and the payment is recorded on a daily listing. Debit and credit card payments can also be taken and are often used for payments such as pantomime and tea dance tickets. From review of the banking process and documentation there does not appear to be a full reconciliation of the daily supporting documents with the amounts banked and recorded and the process could be simplified. Five recommendations have been made as a result of our work in this area. (Recs 8 – 12)

5.5 Reconciliation

5.5.1 Whilst regular budget monitoring takes place and income is recorded and monitored against targets, there is no regular and recorded reconciliation of transactions with the general ledger system. A brief review of income records from April, May and June 2012 shows £17,298.51 income but the general ledger codings during that period total £16,029.33. Differences may be explained by timing differences such as an invoice being raised during the period but the income actually received the following month. One recommendation has been made as a result of our work in this area. (Rec 13)

5.5 Safety and security

5.5.1 The council has in place specific policies and procedures relating to health and safety. In addition a fire safety folder is maintained with records of the tests and checks made on safety equipment. Officers carry out monthly checks of fire equipment and carry out two evacuation drills each year. Specialist companies undertake formal inspections of fire fighting equipment annually and test the fire alarm and emergency lighting quarterly. WCH staff are trained in first aid and use the Forestcare system when working alone. Details of insurance cover for WCH and any particular requirements could not be established during the review. Six recommendations have been made as a result of our work in this area. (Rec 14 – 19)

5.5 Management information

5.5.1 The main reports are records of income and performance point information records progress against income targets for bar takings and for bookings. The SCH has a short term plan with key targets which is regularly reviewed and updated and includes actions such as attracting new uses and organising specific maintenance. From discussion with officers there do not appear to be any concerns regarding budget monitoring processes, but it is recognised that there needs to be greater usage and income at WCH. One recommendation has been made as a result of our work in this area. (Rec 20)

OBSERVATIONS AND RECOMMENDATIONS

POLICIES AND PROCEDURES

1. Procedures

(Medium Risk)

Rationale	Recommendation	Responsibility
<p><u>Best Practice</u> Up to date procedures are in place and available to relevant officers covering all processes at Wantage Civic Hall (WCH).</p> <p><u>Findings</u> A hardcopy procedure manual from June 2010 is in use at WCH. Procedures were partly updated in January 2012 but are only held electronically. It is acknowledged that there are plans to complete the review of procedures but there appears to have been limited progress on this in recent months.</p> <p>Procedures still to be updated include lone working arrangements and procedures are lacking for the provision of the café service and bar services.</p> <p><u>Risk</u> If procedures do not cover all processes it may prove difficult to provide cover and continued service should there be of unplanned absences of key staff.</p>	<p>Procedures should be provided to all officers which are:-</p> <ul style="list-style-type: none"> a) Up to date. b) Comprehensive to encompass all processes including the provision of café and bar services. 	<p>WCH Supervisor</p>
Management Response		Implementation Date
<p>Recommendation is Agreed</p> <p>All procedures are being reviewed and new ones created where gaps have been identified. An action plan has been developed to enable all staff to have input into the review process, and a log devised for them to sign when they have read and understood the procedures.</p> <p>The procedures are being regrouped to make the manual more user friendly and a hard copy will be available in the Wantage Civic Hall office where all staff can access them.</p> <p>Management response: Shared Partnership Development Officer</p>		<p>New procedures in place by 31 March 2013.</p> <p>Full review and regrouping complete by 31 March 2014.</p>

BAR AND CAFÉ SERVICES

2. Bar takings spreadsheets

(Medium Risk)

Rationale	Recommendation	Responsibility
<p><u>Best Practice</u> Accurate records are maintained of takings which are regularly reconciled with general ledger transactions.</p> <p><u>Findings</u> Although takings themselves were correct, discrepancies were observed in the bar takings spreadsheets recording income for the months from April 2012 to October 2012. For example, October's sheet only had 2 of 5 events completely recorded so the total income was understated. It was noted that values are typed in rather than utilising calculation formula's available within the spreadsheet which could reduce the risk of error.</p> <p>The rate of VAT applied to the income was 17.5 per cent rather than the current 20 per cent. The takings and VAT are correctly recorded within the general ledger system the discrepancies only relate to the spreadsheet record.</p> <p>Reconciliation back to general ledger balances is not undertaken.</p> <p><u>Risk</u> If takings records are not accurately completed then it may prove difficult to reconcile with the general ledger. Furthermore, if takings are not reconciled with the general ledger then any miscoding or differences may remain undetected and uncorrected.</p>	<p>Bar takings spreadsheets should:-</p> <ol style="list-style-type: none"> a) Be fully and accurately completed. b) Reflect the current rate of VAT. c) Be reconciled back to relevant general ledger codings. 	<p>WCH Supervisor</p>
Management Response		Implementation Date
<p>Recommendation is Agreed Spreadsheets have been amended to reflect the current rate of VAT and the forms are now being completed accurately. Bar takings are now being reconciled back to general ledger codings.</p> <p>Management response: Shared Partnership Development Officer</p>		<p>Immediately</p>

3. Staffing for events

(High Risk)

Rationale	Recommendation	Responsibility
<p><u>Best Practice</u> Events are managed by an appropriate number of duty officers for the amount of attendees.</p> <p><u>Findings</u> A booking 26/10/2012 was attended by approximately 200 people including performers and caterers. The event was booked as one of the ten free bookings available to Wantage town council annually. It had been agreed the organisers could provide their own catering and bar staff albeit using the council's facilities and bar float. Only the one duty officer was in attendance to oversee the event and the building which remained open to the public. As the booking was not paid for, the council would incur additional cost in using casual duty officers to cover. The amount of duty officers required to manage this number of attendees could not be established during the time of the review.</p> <p>When the duty officer is the only officer on site when an event is held using bar services there is no independent check of the float balance and takings for the event. If the duty officer is the Supervisor Civic Hall then the same officer will also bank the income.</p> <p><u>Risk</u> If the council does not provide sufficient duty officers to manage events then it may not be fulfilling its requirements from a health and safety or insurance perspective.</p>	<p>Events should be managed by a sufficient number of duty officers.</p>	<p>WCH Supervisor</p>
Management Response		Implementation Date
<p>Recommendation is Agreed in Principle The event highlighted in this section was an exception to the normal procedures and the issues raised were the result of a culmination of poor communication and misunderstanding. Many lessons have been learnt from this and we are</p>		<p>Immediately</p>

<p>confident that it will never happen again. We will ensure that all events are sufficiently staffed in future, using only our own employees and not agency staff.</p> <p>Management response: Shared Partnership Development Officer</p>	
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4. Access to café area

(Medium Risk)

Rationale	Recommendation	Responsibility
<p><u>Best Practice</u> The pin code access door to the café service area should be utilised.</p> <p><u>Findings</u> The door to the serving area of the café has a pin code lock but this is not used as it is felt to be onerous and time consuming. Officers need to access the room often as they are not permanently based in the café area due to covering the reception and other events. It is acknowledged that access could be gained over the serving counter top and takings are relatively low.</p> <p><u>Risk</u> If the pin code door access system is not in use then members of the public may gain access to the takings or be able to take or damage the café area equipment and stock.</p>	<p>The café area pin code access door should be utilised at all times to restrict public access.</p>	<p>WCH Supervisor</p>
Management Response		Implementation Date
<p>Recommendation is Agreed This recommendation has been minuted previously at team meetings and is included in the procedures action plan. Spot checks will be carried out to ensure staff are complying with this.</p> <p>Management response: Shared Partnership Development Officer</p>		<p>Immediately</p>

5. Stock control

(High Risk)

Rationale	Recommendation	Responsibility
<p><u>Best Practice</u> Accurate and up to date stock lists are maintained in accordance with agreed processes.</p> <p><u>Findings</u> Café stock, such as biscuits,</p>	<p>a) Procedures should be in place covering the stock control process for the bar and café which includes details of agreed</p>	<p>WCH Supervisor</p>

<p>cakes, tea or coffee are not included in the annual stock check submitted to finance.</p> <p>Procedures are lacking covering the stock control process for bar and café stock.</p> <p>There is a stock check undertaken for each year end but that for 31 March 2012 appeared to use some out of date prices for stock hence may be slightly understated. The stock check listing was not signed or dated by the person undertaking the check and had a header date of 31 March 2010 although it was as at 2012.</p> <p>The stock check listing is not clear as far as the price per unit on some items. For example, Cockburns Special Reserve Port is in a 75cl bottle so this is the stated unit, but the cost price is stated as £0.65 with 21 units held in stock giving a total of £13.65. As it is set out this suggests that the entire 75cl bottle costs £0.65 and there are 21 of them on site. What is listed is a cost per measure and estimate of measures but that is not clear from the form.</p> <p>Stock checks are not balanced back with the previous check with an account for additions and sales. The check is in effect a snapshot at that point in time and not used for any other purposes. As the sales records do not detail the item sold it would be difficult and potentially time consuming to achieve a formal stock control system.</p> <p><u>Risk</u> If stock is not controlled and balanced back to previous checks then any unexplained differences may go undetected and unaccounted for.</p>	<p>optimum stock levels, and the addition and removal of stock.</p> <p>b) The price per unit for stock record in the stock check should be the most recent paid for the items.</p> <p>c) Stock check listings should be signed by the officer undertaking the check and correctly dated.</p> <p>d) The units and price per unit should be clear on the stock check listings.</p> <p>e) All stock should be listed and valued including café items.</p> <p>f) A comparison of income from sales against stock added and held since the previous stock check should be undertaken.</p>	
Management Response	Implementation Date	
Recommendation is Agreed		

Stock lists for the cafe are in place. The review of the bar and café procedures will include stock control measures outlined in this recommendation.	31 March 2013
Management response: Shared Partnership Development Officer	

BOOKINGS

6. Bookings

(Low Risk)

Rationale	Recommendation	Responsibility
<p><u>Best Practice</u> Bookings procedures should reflect current practices and be comprehensive.</p> <p><u>Findings</u> The bookings form refers to the Vale Halls Manager, which is a post that no longer exists.</p> <p>The debtors invoicing procedure does not reflect current practice:-</p> <ul style="list-style-type: none"> • It does not include the current practice of using a quote to obtain payment from regular hirers. • It refers to sending request for invoices to accounts payable rather than the Customer Services Assistant raising the invoice within Agresso. • It refers to the Vale Halls Manager post that no longer exists. <p>Whilst no issues were found regarding regular bookers who pay on a quote as opposed to an invoice, the procedure does not explain what course of action should be taken should a regular booker not pay on time.</p> <p>One of the five regular bookings reviewed did not have a signed annual booking form.</p> <p><u>Risk</u> If the bookings process is not covered by suitably detailed procedures then officers may unknowingly take inappropriate actions.</p>	<p>a) The bookings form should be updated to reflect current job titles.</p> <p>b) The invoicing for bookings procedure should reflect current practices, such as using a quote to obtain payments from regular bookers, and current job titles.</p> <p>c) The invoicing procedure should explain the course of action to be taken should a regular booker not pay following issue of a quote.</p> <p>d) Regular bookers should complete a signed booking form with their schedule of events each year.</p>	<p>WCH Supervisor</p>

Management Response	Implementation Date
<p>Recommendation is Agreed</p> <p>The updated booking form which reflects current job titles is held electronically. All previous versions have been deleted and all hard copies of the old forms destroyed and correct ones printed off.</p> <p>The procedures action plan includes devising a new invoicing procedure, which will highlight the need for all booking forms to be signed.</p> <p>Management response: Shared Partnership Development Officer</p>	<p>Immediately</p> <p>31 March 2013.</p>

7. Town council usage

(High Risk)

Rationale	Recommendation	Responsibility
<p><u>Best Practice</u></p> <p>Usage of the civic hall by Wantage town council should be regularly reviewed to ensure it is reasonable and an adequate contribution is made towards costs for the offices and for meetings. Furthermore the district council should not be liable for additional expenses when allowing the town council free use of WCH for events.</p> <p><u>Findings</u></p> <p>An agreement from 1977 allows for 50 town council meetings per year and an office space for the town council use. It is understood that there are plans for the agreement to be reviewed and discussed and these plans are supported by internal audit.</p> <p>Whilst the town council contributes towards heating and lighting for the office space they occupy this does not appear to compensate the council for the heating and lighting of the rooms for the 50 council meetings per year.</p> <p>An additional 10 usages are to be provided free of charge for events organised by the town council within the agreement and an undated memo that appears to be of some age sets out that each financial year there can be:-</p> <ul style="list-style-type: none"> • A craft show 	<p>a) The agreement for future use of WCH by the Town council should be regularly reviewed and updated.</p> <p>b) The contribution towards heating and lighting should be reviewed to consider if this should also include the use of the rooms for town council meetings in addition to the office space.</p> <p>c) The usage of WCH for the ten events should be reviewed with a view to obtaining agreement that any additional expenses incurred in hosting the event should be paid including a fee if external bar/catering staff are utilised.</p>	<p>Shared Partnership Development Officer</p>

<ul style="list-style-type: none"> • King Alfred's awards • A civic ball • A carol service • Six further events. <p>A letter from the town council regarding the additional events lists six between 2/6/2012 to 27/4/2013.</p> <p>When an event is booked under the ten 'free events' for Wantage town council any additional expenses incurred by WCH such as additional casual duty officers, casual bar staff or staff staying extra hours to tidy up after an event is not recompensed. Even if it is agreed that contractors can be used to provide the bar service and or catering for events duty officers are still required to manage the event and to tidy up afterwards.</p> <p><u>Risk</u> If usage of the offices and rooms by the town council is not regularly reviewed then the district council may be not just be providing the facility free of charge but at a loss.</p>		
Management Response		Implementation Date
<p>Recommendation is Agreed in Principle</p> <p>Cabinet is aware of the issue and as part of the fit for the future action plan is to negotiate a new agreement with Wantage Town Council ready for April 2013. In addition, officers are in the process of negotiating costs for town council events where the district council incurs additional costs.</p> <p>Management response: Shared Partnership Development Officer</p>		31 March 2013

INCOME CASH AND BANKING

8. Credit/debit card payments

(Medium Risk)

Rationale	Recommendation	Responsibility
<p><u>Best Practice</u> Procedures for processing debit/credit cards should be comprehensive.</p> <p><u>Findings</u> The procedures for the processing of credit/debit card payments do</p>	<p>Procedures for processing debit/credit cards should be updated to include:-</p> <p>a) An explanation of how the code 10 call is used if there are suspicions</p>	WCH Supervisor

<p>not include:-</p> <ul style="list-style-type: none"> • An explanation of how the code 10 call is used if there are suspicions about the cardholder • Details such as there may be a need to obtain telephone authorisation • Refunds should only be made to the card that made the original payment • Details of how to use the credit/debit card terminal <p><u>Risk</u> If procedures do not cover all aspects of processing credit/debit card transactions then officers may unknowingly take inappropriate actions such as refunding to a card that did not make the original payment.</p>	<p>about the cardholder.</p> <p>b) Details such as there may be a need to obtain telephone authorisation.</p> <p>c) Refunds should only be made to the card that made the original payment.</p> <p>d) Details of how to use the credit/debit card terminal.</p>	
Management Response		Implementation Date
<p>Recommendation is Agreed</p> <p>The procedures for processing debit/credit cards are included in the procedures action plan to be reviewed and updated.</p> <p>Management response: Shared Partnership Development Officer</p>		31 March 2013

9. Banking

(Medium Risk)

Rationale	Recommendation	Responsibility
<p><u>Best Practice</u> Cover should be available to carry out banking functions should a key member of staff be absent.</p> <p><u>Findings</u> The Supervisor Civic Hall (SCH) is the only officer who carries out banking for WCH payments. If the SCH is absent there is no one else trained to cover.</p> <p><u>Risk</u> If money is not banked when the SCH is absent then the amount held may exceed the amount covered by insurance.</p>	<p>Additional cover should be provided to ensure banking is carried out should the SCH be absent.</p>	WCH Supervisor
Management Response		Implementation Date
<p>Recommendation is Agreed</p> <p>Arrangements are being made to complete the banking in</p>		31 March 2013

<p>Wantage (at the Post Office). Training will be given to both duty officers to enable the banking to take place in the supervisor's absence.</p> <p>Management response: Shared Partnership Development Officer</p>	
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10. Banking documents

(Medium Risk)

Rationale	Recommendation	Responsibility
<p><u>Best Practice</u> All banking documents should be fully completed and reconciled to all relevant sources.</p> <p><u>Findings</u> A weekly summary sheet of officer takings is prepared for cash/cheques and for credit/debit card transactions. This states banking is 'for the week ending' but this is not always the same day or even weekly so it is recommended that the exact income period from and to is stated.</p> <p>Whilst the amounts banked were correct, the summary does not show the total on the daily sheets compared with the total banked with an explanation of any variances. Seven cheques were received totalling £2478.85 but only 6 were banked totalling £2436.85. A cheque for £42 was not banked as it was made to the wrong payee. This is not explained on the banking sheet.</p> <p>A list of debit/card transactions is used to advise the finance team of the amount of card receipts to be coded to the civic hall within the general ledger. This does not use the consecutive card transaction reference to ensure all income the council receives is correctly allocated. From review of one banking period two payments received for £40 and £14 may not have been allocated to the civic hall.</p> <p>Officers record income on daily takings sheets and a total on a</p>	<p>The current banking documentation should:-</p> <ol style="list-style-type: none"> State on the banking summary the exact dates of income being banked. Reconcile the summary with record values from daily sheets and explain any variance with amounts actually banked. List debit/credit card receipts by transaction reference to ensure none are omitted from the coding sheet passed to finance. <p>Or</p> <ol style="list-style-type: none"> Consideration should be given replacing the current income recording method with a simpler transaction based listing. 	<p>WCH Supervisor</p>

<p>weekly income sheet. There appears to be some duplications and a more robust, simpler method should be considered.</p> <p><u>Risk</u> If banking documents are not fully completed to record and explain any variances then it may prove difficult to explain actions should queries arise.</p>		
Management Response		Implementation Date
<p>Recommendation is Agreed Banking summary sheet has been updated to show dates of income being banked. A summary sheet has been created to record the transaction reference numbers for credit and debit card payments. The overall procedure for taking and banking money is being reviewed as part of the procedures review detailed in recommendation 1 above. This process will include reconciling the daily and weekly takings with the amounts banked.</p> <p>Management response: Shared Partnership Development Officer</p>		<p>Immediately</p> <p>Immediately</p> <p>31 March 2013</p>

11. Till balancing

(Medium Risk)

Rationale	Recommendation	Responsibility
<p><u>Best Practice</u> Till takings should be formally balanced and recorded.</p> <p><u>Findings</u> Only a till roll from the coffee shop takings is retained as part of the banking process with no formal record of cashing up which shows a check on the cash in the till less the £25 float and a match with the till reading print.</p> <p><u>Risk</u> If till balancing is not fully undertaken and recorded then any discrepancies may remain undetected.</p>	<p>A formal reconciliation of the café till takings should be undertaken and recorded showing the amount of cash in the till less the float and compared to the amount on the till print out.</p>	<p>WCH Supervisor</p>
Management Response		Implementation Date
<p>Recommendation is Agreed A weekly cashing up sheet that addresses this recommendation has now been adopted for the café.</p> <p>Management response: Shared Partnership Development</p>		<p>Immediately</p>

Officer	
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12. Petty cash

(Medium Risk)

Rationale	Recommendation	Responsibility
<p><u>Best Practice</u> Petty cash arrangements should fit the requirements at the civic hall.</p> <p><u>Findings</u> The operational procedure for petty cash refers to the Shared Partnership Development Officer (SPDO) or 'Audit Division' approving purchases exceeding £20. This does not comply with financial procedure rules which require section 151 officer approval.</p> <p>As it is not always easy to predict what bar supplies will be most popular at events and in order to avoid overstocking, it is occasionally necessary to make last minute purchases of bar stock which may exceed £20.</p> <p>There is only one key for the petty cash tin so if this was to go missing or the SCH were unexpectedly unavailable then petty cash would not be accessible.</p> <p><u>Risk</u> If approval for petty cash purchases over £20 is not sought from the section 151 officer or otherwise agreed then the process will not comply with the council's financial procedure rules.</p>	<p>a) Agreement should be sought that purchases from petty cash to provide adequate bar stocks for events in exceptional circumstances can be in excess of £20.</p> <p>b) Petty cash purchases exceeding £20 other than in a) above should be approved beforehand by the section 151 officer.</p> <p>c) An additional petty cash tin key is obtained and retained by an agreed officer for back up purposes.</p>	WCH Supervisor
Management Response	Implementation Date	
<p>Recommendation is Agreed</p> <p>Account has been set up with Bookers to avoid the need to use petty cash to purchase additional items for the café or bar.</p> <p>Staff have been reminded of the council's procedures for use of petty cash and the £20 limit.</p> <p>A procedure will be added to the operational procedures manual on site as part of the procedures review detailed in recommendation 1 above.</p> <p>An additional key to the petty cash tin will be obtained and kept by an agreed officer (as yet to be confirmed).</p>	<p>Immediately</p> <p>Immediately</p> <p>31 March 2013</p> <p>31 March 2013</p>	

Management response: Shared Partnership Development Officer	
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RECONCILIATION

13. Reconciliation

(Medium Risk)

Rationale	Recommendation	Responsibility
<p><u>Best Practice</u> There is a regular reconciliation of income and expenditure with general ledger codings.</p> <p><u>Findings</u> Reconciliations of income and expenditure with general ledger codings are not undertaken.</p> <p>General income records for April, May and June 2012 show £17,298.51 income but the general ledger codings for WCH in accounts 9311, 9308, 9202 and 9310 during that period total £16,029.33.</p> <p><u>Risk</u> If reconciliations are not undertaken then items which may be miscoded within the general ledger may not be identified and corrected.</p>	There should be a regular reconciliation of income and expenditure with general ledger codings.	WCH Supervisor
Management Response	Implementation Date	
<p>Recommendation is Agreed A procedure for regular reconciliations will be introduced as part of the procedures review detailed in recommendation 1 above.</p> <p>Management response: Shared Partnership Development Officer</p>	31 March 2013	

SAFETY AND SECURITY

14. Fire evacuation drill

(High Risk)

Rationale	Recommendation	Responsibility
<p><u>Best Practice</u> All persons present at the civic hall during an evacuation should take part in the drill and any problems identified should be addressed.</p> <p><u>Findings</u> The evacuation drill at the civic hall 4/12/12 records that the</p>	Any problems identified on the fire evacuation drills should be addressed and details recorded. This includes advising Town Council and other regular users that they should take	WCH Supervisor

<p>Wantage Town Council staff who use offices at WCH did not respond to the drill but no action to address this was noted.</p> <p><u>Risk</u> If regular users of WCH do not take part in the evacuation drills then any issue with their safe evacuation of the building may not be identified.</p>	<p>part in any evacuation drill.</p>	
<p>Management Response</p>		<p>Implementation Date</p>
<p>Recommendation is Agreed Results of all fire evacuation drills and any problems identified will now be recorded centrally and emailed to the Facilities Team to be actioned. Tenants have been informed of the fire evacuation procedures and the need to take part in any evacuation drill. We are seeking the advice of the health and safety advisor and the property team to check if failure to comply with health and safety instructions amounts to a breach of their tenancy agreement.</p> <p>Management response: Shared Partnership Development Officer</p>		<p>31 March 2013</p>

15. Risk assessments

(Medium Risk)

Rationale	Recommendation	Responsibility
<p><u>Best Practice</u> Risk assessments are carried out for all relevant processes.</p> <p><u>Findings</u> It is understood that not all areas have been risk assessed, for example for the café service area.</p> <p><u>Risk</u> If risk assessments are not undertaken and documented then any areas of risk, such as using the new coffee machine, may remain unidentified and unreported.</p>	<p>Risk assessments are carried out for all relevant processes including the new café service.</p>	<p>WCH Supervisor</p>
<p>Management Response</p>		<p>Implementation Date</p>
<p>Recommendation is Agreed Existing risk assessments are being reviewed and any gaps identified, and a review will be undertaken on an annual basis. An action plan is being drawn up to monitor this process and to raise awareness amongst staff when any new risks are identified. Hard copies will be kept in the Civic Hall office for staff to refer to in addition to being saved centrally.</p>		<p>31 March 2013</p>

Management response: Shared Partnership Development Officer	
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16. Insurance

(High Risk)

Rationale	Recommendation	Responsibility
<p><u>Best Practice</u> Insurance arrangements are identified and reviewed to ensure officers are aware and current practices meet insurance requirements.</p> <p><u>Findings</u> Details of insurance cover arrangements and any special requirements in order to comply with insurance cover were not known by WCH staff at the time of review. Internal audit were unable to obtain full details during the review as the insurance cover appears to be fragmented over different policies.</p> <p><u>Risk</u> If officers are unaware of specific insurance requirements then they may be unknowingly acting in a way that is not covered by the council's insurance cover or which may make the cover void.</p>	<p>WCH officers should obtain details of insurance cover and conditions from the finance team. This should include any specific arrangements for:-</p> <ol style="list-style-type: none"> Movement of cash and cheques from WCH to the cash office at Abbey House. Any particular health and safety requirements, for example when the church use the facilities without officers present. Security of WCH including the location of keys. 	WCH Supervisor
Management Response	Implementation Date	
<p>Recommendation is Agreed Details of the insurance cover and conditions have been obtained from the finance team. We are currently checking the insurance details with regards to the movement of cash, although this will be reduced once the banking is taking place more frequently in Wantage. Insurance details were checked regarding the use by the church before the arrangement to allow them sole access was agreed. All keys are signed for when issued to members of staff and spare ones kept locked in a secure place.</p> <p>Management response: Shared Partnership Development Officer</p>	<p>Immediately 31 March 2013</p>	

17. Lone working

(High Risk)

Rationale	Recommendation	Responsibility
<p><u>Best Practice</u> The lone working system should</p>	<p>a) The Forestcare system should be</p>	WCH Supervisor

<p>be appropriately documented and tested to ensure it is functional.</p> <p><u>Findings</u> The Forestcare lone working system is used by WCH staff. The system is meant to generate an automated call if the officer has not phoned at an agreed time and if that is not responded to there should be follow up action with listed key contacts for the officer. A recent event occurred when an officer did not phone at the agreed time but no follow up action was invoked through the Forestcare system and it is understood this is being queried with the service providers.</p> <p>It is not clear what the escalation process would be should an incident occur and access is needed to the building for a lone worker. At the start of the review all WCH master keys had been allocated to officers with spares on order. Usually a spare master key is kept by the facilities team. There could be significant delay in contacting an officer who would need to access the Vale offices to obtain the spare key out of hours.</p> <p><u>Risk</u> If the lone working system is not functioning properly then officers are exposed to greater risk to their health and safety.</p>	<p>tested to ensure that appropriate action is taken should officers not phone in at agreed times. Failures should be logged and taken up with the service providers and the service regularly reviewed to ensure it is functioning correctly.</p> <p>b) The actions to be taken should an incident occur should be discussed and documented so that all officers are happy with the arrangements and contact numbers are known.</p> <p>c) The location of a spare master key should be reviewed and a suitable location/officer to hold the spare agreed.</p>	
Management Response		Implementation Date
<p>Recommendation is Agreed in Principle</p> <p>There have been recent concerns raised about the Forestcare system that have led to a lack of confidence amongst staff. We are reviewing the use of Forestcare with HR and will be implementing a more workable solution. This will include having local Wantage based contacts and a master key held in Wantage. It is also our intention to reduce the instances of lone working wherever resources allow and so remove the need to use Forestcare.</p> <p>Management response: Shared Partnership Development Officer</p>		<p>31 March 2013</p>

Rationale	Recommendation	Responsibility
<p><u>Best Practice</u> The council should have ready to hand a listing of all keys and who they are held by. Any surrender of keys should be recorded formally.</p> <p><u>Findings</u> As officers receive keys for WCH they sign for them together with a declaration covering their use. A recently surrendered master key was not signed back in and dated but instead the new holder of the key signed for it on the original key holders form. It is not easy to establish how many keys exist and who holds them without sorting through the sheets.</p> <p>Six new keys had been obtained and whilst the invoice was retained there was no record of where these keys were held.</p> <p><u>Risk</u> If the council cannot identify who holds master keys for the civic hall and where spares are held then they may not be complying with insurance requirements.</p>	<p>A register of keys should be produced and updated so it can quickly be ascertained who holds them and where any spares are located.</p>	<p>WCH Supervisor</p>
Management Response		Implementation Date
<p>Recommendation is Agreed A complete list of key holders has been produced and all keys signed for. Any additional spare keys are kept in the safe.</p> <p>Management response: Shared Partnership Development Officer</p>		<p>Immediately</p>

19. Inventory

(Medium Risk)

Rationale	Recommendation	Responsibility
<p><u>Best Practice</u> An inventory should be in place which is regularly checked and records the purchase date and cost of items together with any changes.</p> <p><u>Findings</u> An inventory was last completed 17/7/2012 and whilst comprehensive it did not appear to</p>	<p>a) Inventory checks should be referenced to previous checks to identify and investigate any discrepancies.</p> <p>b) Any disposals and movements of equipments should be suitable</p>	<p>WCH Supervisor</p>

<p>have been matched with the previous check to identify any discrepancies.</p> <p>A record of a temporary loan of chairs was held in the inventory file but the date the items were returned was not recorded.</p> <p><u>Risk</u> If the checks are not undertaken to identify any discrepancies in equipment held then any losses may remain undetected.</p>	<p>recorded and signed in or out of the inventory.</p>	
Management Response		Implementation Date
<p>Recommendation is Agreed</p> <p>A new inventory referencing the previous hand written records is being compiled and records for any items to be disposed of, or moved, are being completed. A date is being arranged for the return of the chairs that were lent on a long term loan to the leisure centre.</p> <p>Management response: Shared Partnership Development Officer</p>		<p>31 March 2013</p>

MANAGEMENT INFORMATION

20. Complaints process

(Medium Risk)

Rationale	Recommendation	Responsibility
<p><u>Best Practice</u> WCH complaints process should support the council's formal complaints procedure.</p> <p><u>Findings</u> The operational procedure for comments and complaints from WCH users does not refer to or follow the council's formal complaints procedure.</p> <p><u>Risk</u> If the procedures at WCH do not support the council's formal complaints procedure then the council may not be seen to be acting correctly in managing complaints.</p>	<p>WCH comments and complaints procedure should be reviewed and updated to ensure it refers to and reflects the council's formal complaints procedure.</p>	<p>WCH Supervisor</p>
Management Response		Implementation Date
<p>Recommendation is Agreed</p> <p>The existing complaints procedure is being rewritten to align with the council's complaints procedure. All staff will then be</p>		<p>31 March 2013</p>

briefed on this procedure.

Management response: Shared Partnership Development
Officer