

# Audit of Talkin Tarn and Boathouse Tearooms

**Draft Report Issued: 4<sup>th</sup> December 2017**  
**Director Draft Issued: 15<sup>th</sup> December 2017**  
**Final Report Issued: 21<sup>st</sup> December 2017**



## Audit Report Distribution

<b>Client Lead:</b>	Neighbourhood and Greenspaces Manager
<b>Chief Officer:</b>	Deputy Chief Executive
<b>Others:</b>	Site Management Team Leader Chief Executive (Final report)
<b>Audit Committee:</b>	The Audit Committee, which is due to be held on 12 <sup>th</sup> January 2018 will receive a copy of this report.

## 1.0 Background

- 1.1. This report summarises the findings from the audit of Talkin Tarn and the Boathouse Tearooms. This was an internal audit review included in the 2017/18 risk-based audit plan agreed by the Audit Committee on 16<sup>th</sup> March 2017.
- 1.2. Talkin Tarn is operated by the Council, it is under the responsibility of Community Services and the Neighbourhoods & Green Spaces Manager. It is a popular destination and offers a variety of facilities including watersports, walking and open air theatre.
- 1.3. Talkin Tarn facility meets the following service objective and key themes of the Carlisle Plan:

### **Service Objective**

- Improving the health, wellbeing and economic prosperity of the people of Carlisle. We will work in partnership to further establish our position as the regional centre and focus for investment, ensuring that residents can share in the benefits through increased opportunities and greater choice of jobs, range of housing and a quality environment.

### **Key themes**

- Health and wellbeing of our citizens. Carlisle's parks and green spaces perform an important function in providing safe, accessible space for outdoor recreation and activities.
- Prosperity and economic development of the city. An attractive green environment is a selling point the city can use to bring new businesses and people to Carlisle.

## 2.0 Audit Approach

### Audit Objectives and Methodology

- 2.1 Compliance with the mandatory Public Sector Internal Audit Standards requires that internal audit activity evaluates the exposures to risks relating to the organisation's governance, operations and information systems.
- 2.2 A risk based audit approach has been applied which aligns to the five key audit control objectives (see section 4). Detailed findings and recommendations are reported within section 5 of this report.

### Audit Scope and Limitations.

- 2.3 The Audit Scope was agreed with management prior to the commencement of this audit review. The Client Lead for this review was the Neighbourhood and Greenspaces Manager and the agreed scope was to provide independent assurance over management's arrangements for ensuring effective governance, risk management and internal controls of the following risk areas:

- Lack of management direction, resulting in no clear strategy to operate and improve the facility.
- No management of the contracts in place, resulting in poor service provisions.
- Failure to monitor health and safety concerns including reporting accidents/near misses at the facility, resulting in claims and prosecution against the authority.
- Loss of or damage to assets due to failure to adopt suitable, proportionate security controls
- Staffing issues are not addressed resulting in HR issues with seasonal staff and lone workers
- Income is not appropriately managed resulting in poor performance and practices.

2.4 There were no instances whereby the audit work undertaken was impaired by the availability of information.

### 3.0 Assurance Opinion

3.1 Each audit review is given an assurance opinion and these are intended to assist Members and Officers in their assessment of the overall level of control and potential impact of any identified system weaknesses. There are 4 levels of assurance opinion which may be applied. The definition for each level is explained in **Appendix B**.

3.2 From the areas examined and tested as part of this audit review, we consider the current controls operating within Talkin Tarn and Tearooms provide **Reasonable assurance**.

*Note: as audit work is restricted by the areas identified in the Audit Scope and is primarily sample based, full coverage of the system and complete assurance cannot be given to an audit area.*

### 4.0 Summary of Recommendations, Audit Findings and Report Distribution

4.1 There are two levels of audit recommendation; the definition for each level is explained in **Appendix C**.

4.2 There are eight audit recommendations arising from this audit review and these can be summarised as follows:

Control Objective	High	Medium
<b>1. Management</b> - achievement of the organisation's strategic objectives achieved (see section 5.1)	-	2
<b>2. Regulatory</b> - compliance with laws, regulations, policies, procedures and contracts (see section 5.2)	-	3
<b>3. Information</b> - reliability and integrity of financial and operational information (see section 5.4)		3
<b>4. Security</b> - safeguarding of assets (see section 5.3)	-	0
<b>5. Value</b> – effectiveness and efficiency of operations and programmes (see section 5.5)	-	0
<b>Total Number of Recommendations</b>	-	<b>8</b>

- 4.3 Management response to the recommendations, including agreed actions, responsible manager and date of implementation are summarised in Appendix A.

4.4 **Findings Summary:**

There are good policies in place providing management with direction and a clear strategy to operate and improve the facility. Further work should be undertaken to improve the risk registers and the documentation around the monitoring of the service plans.

There are controls in place to ensure that contracts are appropriately awarded. The main contract is with Talkin Tarn Adventure and monthly meetings take place with management, however there is no documentation to confirm that the meetings are taking place or an action plan to confirm that any issues highlighted are progressed.

Health and safety is addressed and a full review was undertaken in Feb 2017 by the Council's Health and Safety Manager. The follow-up actions of the report were reviewed and it highlighted that an issue was still outstanding. Further issues were raised with the storing of files and personal information in an unlocked cupboard within a public area.

Assets are protected and security controls are in place. There is a lack of current procedures being in place and being available to all necessary employees. The controls around the CCTV systems should be improved and brought into line with legislation and further guidance should be obtained from the Council's Corporate Information Officer

Talkin Tarn relies on flexibility of the workforce and this has been met through the use of casual staff. Some of these have worked regular hours most weeks across long periods of time. HR has raised issues with the use of casual staff for this purpose. Lone worker security has been addressed through a personal safety device.

Income is appropriately managed and the management team are aware of the need to maximise revenue at the Tarn. Third Party events are encouraged to help meet this aim and to improve the footfall at the site.

**Comment from the Deputy Chief Executive**

The audit review of Talkin Tarn has proved to be a useful exercise and has highlighted a number of issues for the onsite team and Green Spaces management to attend to.

These will be accepted and worked on during the next quarter, paying particular attention to any health and safety issues.

## 5.0 Audit Findings & Recommendations

### 5.1 Management – Achievement of the organisation's strategic objectives

- 5.1.1** There are good policies in place providing management with direction and a clear strategy to operate and improve the facilities at the Talkin Tarn site. The activities at the Tarn support the priorities of the Council and along with the key themes this has been formally identified and approved by Members.
- 5.1.2** There is a service plan in place with specific targets, there is evidence that meetings are planned to discuss their progression and other service objectives. There is no evidence to support these discussions taking place or how the areas for concern following meetings are documented and monitored further to ensure that the necessary actions are undertaken.

**Recommendation 1 – Documentation should be produced to support the monitoring of the Service Plans.**

- 5.1.3** There is a detailed business plan in place with expectations agreed by Overview and Scrutiny. Updates are given twice a year to the Committee with evidence the business plan is being progressed.
- 5.1.4** An operational risk register is in place for Green Spaces and Bereavement services and is included within their Service Plan. No specific risks are raised for the Talkin Tarn Site. A discussion with the Neighbourhood and Greenspace Manager concluded that there should be a reference to the Member's expectations, such as the requirement to break-even. This would help to focus the aims and to monitor progression.
- It is also noted that while there is a risk for Bereavement Services lone-workers the same is not in place for Talkin Tarn. Consideration should be given to either adopting a generic lone-worker risk or including a separate one for Talkin Tarn.

**Recommendation 2 – The operational risk register should be reviewed and consideration given specific risks at Talkin Tarn.**

- 5.1.5** Due to the varying opening hours and seasonal variations at the Boathouse Tearooms there is a business need for a flexible workforce. This has been achieved through the use of casual staff; some of these casual officers have worked for long periods of time (many years in some cases). It has allowed management to staff the tearooms as necessary and helped ensure the business need is met for a reasonable cost. The casuals have been paid enhanced wages to allow for annual leave and sick leave entitlements. HR have raised concerns with the situation and it is currently being addressed. There could be a need for a staffing restructure at the Tarn to accommodate changes to allow the service to be delivered differently to meet business needs. Officers should continue

working with HR officers to address the issues with using regular casual staff

- 5.1.6** Management have processes in place to ensure that any lone workers are safe at work. The use of the Skyguard personal safety device ensures that employees have support at all times and that they are able to sign out when finishing shifts.

## **5.2 Regulatory – compliance with laws, regulations, policies, procedures and contracts**

- 5.2.1** There are good controls in place to monitor contracts with third parties. The main contract with Talkin Tarn Adventure is still in its first year. Council management are happy with their service provision, which has been very good. They are working well with the Tarn staff to grow their business which improves footfall at the site, and therefore increases income.
- 5.2.2** Leases are in place between the City Council and the three organisations that operate from the site. Talkin Tarn Adventure, the Rowing Club and Brampton Sailing Club.
- 5.2.3** The procurement process was correctly followed for the recent tenders of the Water sports and the camping provision. The Procurement team managed the process to ensure it complied with legislation and policy.
- 5.2.4** Monitoring of the contracts is in place and monthly meetings take place to discuss any issues with the lessee, Talkin Tarn Adventure. However there is no documentation to confirm that the meetings are taking place or any action plans to confirm that issues highlighted are documented and action is taken to manage any issues.

**Recommendation 3 – Action plan should be produced and any issues highlighted at monitoring meetings should be documented and followed up**

- 5.2.5** A detailed health and safety review was undertaken by the Council's Health and Safety Officer in early 2017 at Talkin Tarn. A brief review of the issues raised highlighted that neither Facilities Management nor Greenspaces staff took ownership of the responsibility for the Portable Appliance Testing (PAT). Although the review stated that the work was scheduled for March 2017, audit testing on site concluded that this still hasn't taken place.

**Recommendation 4 - Ownership for arranging the Portable Appliance Testing should be identified and it should be organised as soon as possible.**

- 5.2.6** The asbestos at the site has been identified, monitored and reviewed. Facilities Management have advised that they are regularly monitoring the situation

- 5.2.7** The CCTV system at the Tarn is appropriately registered with the Data Commissioner. There are no processes or procedure notes for the management of the CCTV system. The procedures should include information on releasing images from the cameras and how staff should deal with access requests if they should receive any. There are limited signs advising users that their image could be captured on CCTV. The cameras are not checked routinely to confirm that they are working correctly. The Council's Corporate Information Officer should be contacted for further advice.
- 5.2.8** The procedures notes for the tearoom have not been reviewed and updated recently. The Tearoom's notes have not been reviewed since 2015, and Cashing up/Till procedures since 2008. Since then a new till system has been introduced. The paper copy of the procedures was not available. The Talkin Tarn Gift Shop and Tearooms Manager was able to provide sight of the electronic version.

**Recommendation 5 - The processes in relation to the CCTV system at Talkin Tarn should be improved and documented. In addition a general review of all the procedures should be undertaken and updated to reflect the current working practices.**

### **5.3 Information – reliability and integrity of financial and operational information**

- 5.3.1** The Health and Safety folder is readily available to all staff. The folder is detailed and a copy of the Health and Safety policy is available. The majority of risk assessments are up to date and were reviewed on the 14<sup>th</sup> February 2017. The risk assessment for the lone workers needs to be updated to reflect the procedures for this winter. It is noted that the new procedures have only been implemented from when the café and restaurant have gone on to winter hours in November 2017.

**Recommendation 6 – The health and Safety folder should be reviewed regularly and updated as necessary**

- 5.3.2** There is detailed information available to Talkin Tarn users at all times, with the use of the notice boards, which are kept up to date.
- 5.3.3** There are detailed forms to be used for bookings. The forms are retained in an unlocked cupboard within the Café area. These completed forms carry personal data and should be kept locked away, with restricted access to staff only.

**Recommendation 7 – All documentation holding personal information should be kept in a locked cupboard.**

- 5.3.4** Woodland grants are being received and the terms and conditions are being met to ensure that income is received. It would be advisable that procedures are written so that the grants are more formally monitored throughout the year and that the senior management team have assurance that the grant terms are being complied.
- 5.3.5** The end of year stock is appropriately valued and it is signed by the appropriate responsible officer and Director.
- 5.3.6** Weekly management meetings take place to allow issues arisen and the week's plans to be discussed.
- 5.3.7** Job descriptions are in place for the three roles that are covered by fixed term employees. The roles that are currently met by casual staff should have some roles and responsibilities documented so that they are aware of expectations. This should include cashing up and security of the safe key.

**Recommendation 8 - Roles and responsibilities should be documented for casual staff**

- 5.3.8** The cashing up of the tills is undertaken daily and the responsible employee is identifiable through the till receipt. The till takings are reconciled to the banking weekly.

## **5.4 Security – Safeguarding of Assets**

- 5.4.1** The leases with third party users all request that copies of the organisation's insurance certificates are received annually. The current copies for the three leases were all available and have been reviewed by the Council's Finance and Insurance Officer. It should be considered whether to add the Insurance update responsibility to the Talkin Tarn maintenance schedule, managed by the Site Manager Team Leader.
- 5.4.2** The current process in place for storage and transport of cash is in line with the Council's insurance terms and conditions.
- 5.4.3** The fire assembly point is clearly marked and the fire evacuation procedures are displayed. In line with the updated procedures for the Civic Centre it would be worth management considering if there is a need to move the assembly point at the Tarn further away from the buildings.

**5.4.4** The new starters (casual) forms are completed and are sent to personnel files for reference. The forms are signed by both the casual and the relevant manager as evidence the necessary training has been undertaken, including correct use of equipment.

## **5.5 Value – effectiveness and efficiency of operations and programmes**

**5.5.1** All third party events at the Tarn help to improve the footfall and generate additional income through the Café and the Car parking. The risk of loss of income resides with the third party. Declarations are signed and when the income is received percentages are handed over. Management review the income received and prioritise the site space to the more successful artists for revisits.

## Appendix A – Management Action Plan

Summary of Recommendations and agreed actions					
Recommendations	Priority	Risk Exposure	Agreed Action	Responsible Manager	Implementation Date
<b>Recommendation 1:</b> Documentation should be produced to support the monitoring of the Service Plans.	<b>Priority</b> M	<b>Risk Exposure</b> Lack of management direction, resulting in no clear strategy to operate and improve the facility.	<b>Keep notes of monitoring meetings.</b>	<b>Site Management Team Leader</b>	<b>Immediate</b>
<b>Recommendation 2:</b> The operational risk register should be reviewed and consideration given specific risks at Talkin Tarn.	<b>Priority</b> M	<b>Risk Exposure</b> Lack of management direction, resulting in no clear strategy to operate and improve the facility.	<b>Specific TT risks identified and added to the operational risk register</b>	<b>Site Management Team Leader / Neighbourhood and Greenspaces Manager</b>	<b>01 Feb 18</b>
<b>Recommendation 3:</b> Action plan should be produced and any issues highlighted at monitoring meetings should be documented and followed up.	<b>Priority</b> M	<b>Risk Exposure</b> No management of the contracts in place, resulting in poor service provisions.	<b>Action Plan produced. Regular reviews with minuted meetings.</b>	<b>Site Management Team Leader / Talkin Tarn Team Room &amp; Gift shop Manager</b>	<b>Immediate</b>
<b>Recommendation 4:</b> Ownership for arranging the Portable Appliance Testing should be identified and it should be organised as soon as possible.	<b>Priority</b> M	<b>Risk Exposure</b> Failure to monitor health and safety concerns including reporting accidents/near misses at the facility, resulting in claims and prosecution against the authority.	<b>Responsibility for PAT testing agreed as resting with Talkin Tarn management (Green Spaces).</b>	<b>Neighbourhood and Greenspaces Manager / Site Management Team Leader</b>	<b>01 Jan 18</b>

<b>Recommendation 5:</b> The processes in relation to the CCTV system at Talkin Tarn should be improved and documented. In addition a general review of all the procedures should be undertaken and updated to reflect the current working practices.	<b>Priority</b> M	<b>Risk Exposure</b> Loss of or damage to assets due to failure to adopt suitable, proportionate security controls. Loss of or damage to assets due to failure to adopt suitable, proportionate security controls	<b>Review of CCTV operation at Talkin Tarn. Procedures updated.</b>	<b>Site Management Team Leader / Green Spaces Operations Manager,</b>	<b>01 March 18</b>
<b>Recommendation 6:</b> The health and Safety folder should be reviewed regularly and updated as necessary.	<b>Priority</b> M	<b>Risk Exposure</b> Failure to monitor health and safety concerns including reporting accidents/near misses at the facility, resulting in claims and prosecution against the authority.	<b>H&amp;S folder reviewed and updated</b>	<b>Site Management Team Leader / Health and Safety Manager</b>	<b>01 March 18</b>
<b>Recommendation 7:</b> All documentation holding personal information should be kept in a locked cupboard.	<b>Priority</b> M	<b>Risk Exposure</b> Failure to monitor health and safety concerns including reporting accidents/near misses at the facility, resulting in claims and prosecution against the authority.	<b>Move booking records etc to a locked cupboard or cabinet.</b>	<b>Talkin Tarn Team Room &amp; Gift shop Manager</b>	<b>01 Jan 18</b>
<b>Recommendation 8:</b> Roles and responsibilities should be documented for casual staff.	<b>Priority</b> M	<b>Risk Exposure</b> Staffing issues are not addressed resulting in HR issues with seasonal staff and lone workers.	<b>Roles and responsibilities identified for casual staff; consideration of</b>	<b>Site Management Team Leader / Talkin Tarn Team Room &amp; Gift shop Manager / HR</b>	<b>01 Feb 18</b>

D1704 Audit of Talkin Tarn and Boathouse Tea Rooms

			temporary contracts.	Advisor	
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## Appendix B

### Audit Assurance Opinions

There are four levels of assurance used; these are defined as follows:

	Definition:	Rating Reason
<b>Substantial</b>	There is a sound system of internal control designed to achieve the system objectives and this minimises risk.	<p>The controls tested are being consistently applied and no weaknesses were identified.</p> <p>Improvements, if any, are of an advisory nature in context of the systems and operating controls &amp; management of risks.</p>
<b>Reasonable</b>	There is a reasonable system of internal control in place which should ensure that system objectives are generally achieved, but some issues have been raised which may result in a degree of risk exposure beyond that which is considered acceptable.	<p>Generally good systems of internal control are found to be in place but there are some areas where controls are not effectively applied and/or not sufficiently developed.</p> <p>Recommendations are no greater than medium priority.</p>
<b>Partial</b>	The system of internal control designed to achieve the system objectives is not sufficient. Some areas are satisfactory but there are an unacceptable number of weaknesses which have been identified and the level of non-compliance and / or weaknesses in the system of internal control puts the system objectives at risk.	<p>There is an unsatisfactory level of internal control in place as controls are not being operated effectively and consistently; this is likely to be evidenced by a significant level of error being identified.</p> <p>Recommendations may include high priority matters for address.</p>
<b>Limited / None</b>	Fundamental weaknesses have been identified in the system of internal control resulting in the control environment being unacceptably weak and this exposes the system objectives to an unacceptable level of risk.	<p>Significant non-compliance with basic controls which leaves the system open to error and/or abuse.</p> <p>Control is generally weak/does not exist. Recommendations will include high priority matters for address. Some medium priority matters may also be present.</p>

## Appendix C

### Grading of Audit Recommendations

Audit recommendations are graded in terms of their priority and risk exposure if the issue identified was to remain unaddressed. There are two levels of audit recommendations used; high and medium, the definitions of which are explained below.

	Definition:
High	Significant risk exposure identified arising from a fundamental weakness in the system of internal control
Medium	Some risk exposure identified from a weakness in the system of internal control

The implementation of agreed actions to Audit recommendations will be followed up at a later date (usually 6 months after the issue of the report).