

Audit follow up of The Old Fire Station (OFS)

Draft Report Issued: 18 July 2018

Director Draft Issued: 6 August 2018

Final Report Issued: 11 September 2018



Audit Report Distribution

Client Lead:	Contracts and Community Services Manager
Chief Officer:	Deputy Chief Executive Chief Executive (Final Report)
Others:	Information Governance Manager Community Development Officer
Audit Committee:	The Audit Committee, which is due to be held on 26th September 2018, will receive summary findings and recommendations from this audit.

Note: Audit reports should not be circulated wider than the above distribution without the consent of the Designated Head of Internal Audit.

1.0 Background

- 1.1. This report summarises the findings from a follow up audit of The Old Fire Station. This was an internal audit review included in the 2018/19 risk-based audit plan agreed by the Audit Committee on 19th March 2018.
- 1.2. The original audit was carried out during December 2017 and January 2018, resulting in a conclusion of partial assurance and fifteen recommendations. A management action plan was completed detailing agreed actions, responsible manager and implementation dates to address the recommendations (Appendix A). This follow-up report provides an update on progress made against this action plan.
- 1.3. The OFS is viewed as a major success and is a well established venue not just in Cumbria but in the wider region. Officers are currently holding meetings with arts groups and promoters to gauge interest in the future operational requirements including potential outsourcing of the OFS to cover wider functions and to see how the OFS can be further developed.

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.
- 2.3 The Client Lead was asked to provide an update on progress made implementing the agreed actions. Internal Audit then undertook testing as necessary to confirm that actions have been fully implemented and that controls are working as intended to mitigate risk

Audit Scope and Limitations.

- 2.4 The original scope was to provide independent assurance over management's arrangements for ensuring effective governance, risk management and internal controls of the following risk areas:
 - Risk 1- Core Council priorities are not achieved / supported because the Arts Centre's objectives are not clearly defined, approved, aligned and communicated and / or insufficient monitoring of the performance of the centre.
 - Risk 2 - Failure to meet Council's procedures / guidance on H & S for the Arts Centre leading to staff and members of the public being put at risk.

- Risk 3 - Safeguarding of assets is not effective because unauthorised individuals can access the premises / premises not secured and / or inadequate safeguarding arrangements (such as insurance).
- Risk 4 – Poor quality information resulting in incomplete financial records and poor performance.
- Risk 5 - Reputational damage due to failure to manage above risks appropriately.

- 2.5 It is the responsibility of management to monitor the effectiveness of internal controls to ensure they continue to operate effectively.
- 2.6 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 C**.
- 3.2 Where the findings of the follow up confirm that actions have been successfully implemented and controls are working effectively, the internal audit assurance opinion may be revised from that provided by the original audit.
- 3.3 From the areas examined and tested as part of this follow up review we consider the current controls operating within the OFS provide **reasonable** assurance (revised from partial 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 D**.
- 4.2 The previous audit included fifteen recommendations (See Appendix A) of which:
- Eleven agreed actions have been successfully implemented.
 - Four agreed actions have been partially implemented.

- 4.3 There are four audit recommendations arising from this audit review and these can be summarised as follows:

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

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

4.5 **Findings Summary:**

The OFS team have worked hard and have made good progress since the previous audit review earlier this year, quickly resolving the high graded recommendations. Recommendations have been promptly actioned around fire safety, income management, general building security, health and safety, cash handling and security of value, staff training, risk and event management. Only four recommendations remain work in progress.

Good progress has been made with documenting procedures and guidance for the OFS. Further work is currently ongoing with these, for example, around documenting CCTV procedures, bag searches and administrative tasks.

The OFS team have implemented their own processes to gain assurance that statutory health and safety and building maintenance checks are being undertaken at the OFS which now includes twice yearly maintenance meetings with property services; the first meeting was held in April 2018.

Management has sought advice from HR about appropriate arrangements for casual posts. HR have confirmed that this will be included in a Council wide review and a working group will be established to look at these issues.

Contract management meetings have been arranged on a bi-annual basis. A Meeting has been held with McGrew's where they discussed ensuring there is consistency

between Council run events and McGrew's events. McGrew's have been provided with the relevant documentation and procedures and guidance that they must follow. Further checks need to be completed to ensure that these are being followed.

Comment from the Deputy Chief Executive

It is encouraging to see the progress being made by the OFS team being acknowledged in this follow up report.

The on-site team and support officers will continue to address the outstanding actions contained in this report.

5.0 Audit Findings & Recommendations

5.1 Recommendation 1 – Risk Management

- 5.1.1** The previous audit recommendation identified that service risks should be reviewed in accordance with the Council's Risk Management Policy and that project server should be manually updated to confirm this.
- 5.1.2** Audit testing established that risks detailed on project server for the OFS had been reviewed (quarterly) in line with the Council's Risk Management Policy.

5.2 Recommendation 2 – Guidance / Procedures

- 5.2.1** The previous audit recommendation identified that management should ensure that procedures / guidance is agreed and documented for all areas of the service including areas identified within the audit review. All guidance / procedures should be dated and version controlled.
- 5.2.2** Good progress has been made with documenting procedures and guidance for the OFS. Further work is currently ongoing with these, for example, around regular checking of CCTV (to confirm it is working and recording correctly), bag searches and administration tasks including reconciling monthly remittances of ticket sales.

Recommendation 1 – Management should ensure that all procedures / guidance are completed in full, approved and rolled out to all relevant staff. (Medium)

5.3 Recommendation 3 – Health and Safety and Building Maintenance

- 5.3.1** The previous audit recommendation identified that arrangements should be put in place to ensure that management receive regular assurance that all defects have been fixed and that statutory health and safety and building maintenance checks are being undertaken at the OFS. Management should consider how these checks and their outcomes should be documented and reviewed and that any remedial actions are undertaken.
- 5.3.2** A 'Reporting Building Defects' procedure has been documented. This will be approved by management as soon as possible.

- 5.3.3** A spreadsheet is maintained by the OFS team to record and monitor building defects.
- 5.3.4** A spreadsheet has been implemented to record and monitor property maintenance checks including health and safety checks.
- 5.3.5** Twice yearly maintenance meetings between the OFS team and property services have been introduced with the first meeting being held in April 2018.

5.4 Recommendation 4 – Event Risk Assessments

- 5.4.1** The previous audit recommendation identified that not all events had an appropriate risk assessment on file.
- 5.4.2** Audit testing checked a random sample of event files and found a copy of the appropriate risk assessment on file.

5.5 Recommendation 5 – Casual posts

- 5.5.1** The previous audit recommendation identified that management should seek advice from HR with reference to casual posts.
- 5.5.2** Management has sought advice from HR about appropriate arrangements for casual posts. HR have confirmed that this will be included in a Council wide review and a working group will be established to look at these issues.

5.6 Recommendation 6 – Gifts and hospitality and any other interests

- 5.6.1** The previous audit recommendation identified that officers declare and resolve any interests, relationships, gifts and hospitality as per the requirement in the Officers' Code of Conduct.
- 5.6.2** Management sent an email reminder out to the OFS team with reference to the requirement to record any interests, relationships, gifts and hospitality.
- 5.6.3** Audit testing identified examples where the team have completed the gifts and hospitality register when they have accepted hospitality for local events.

5.7 Recommendation 7 – Training and staff reviews / appraisals

- 5.7.1** The previous audit recommendation identified that the OFS team including casuals and McGrew's staff should receive the appropriate training to carry out their roles safely and effectively. The OFS team should have regular formal 1 to 1's and that annual appraisals are documented and retained.
- 5.7.2** A training schedule spreadsheet is maintained for the OFS (For Council Officers & McGrew's staff). This is an operational working document and is updated on an ongoing basis, a copy of this spreadsheet was provided during the audit follow up.
- 5.7.3** Audit testing also confirmed that formal 1 to 1's are being undertaken and a team appraisal was completed.

5.8 Recommendation 8 – DBS checks

- 5.8.1** The previous audit recommendation identified that a system should be in place to ensure that all appropriate officers have a valid enhanced DBS check, including McGrew's staff.
- 5.8.2** There is now a process in place to ensure that all appropriate officers have a valid DBS check. At the time of the audit 7 out of 10 staff have a valid DBS check and the remaining three hold a DBS Scotland check. Management have requested that the remaining three apply for an DBS England check which they are in the process of obtaining.

5.9 Recommendation 9 – Fire Safety

- 5.9.1** The previous audit recommendation identified several fire safety issues that needed to be resolved as soon as possible.
- 5.9.2** A fire risk assessment was completed on 20 March 2018.
- 5.9.3** The fire alarm has been reconfigured so that the power cuts off to the stage and the mixing desk if the alarm activates.
- 5.9.4** The OFS team have been updated and made aware of the evacuation process and the relevant procedures.

5.10 Recommendation 10 – Contract Management

- 5.10.1** The previous audit recommendation identified that there was no formal contract management arrangements in place and inconsistencies between Council and McGrew's events.
- 5.10.2** Contract management meetings have been arranged for the rest of 2018.
- 5.10.3** Meetings are also being held with McGrew's where they discuss ensuring there is consistency between Council run events and McGrew's events. McGrew's have been provided with the relevant documentation and procedures and guidance that they must follow.
- 5.10.4** Further checks need to be completed to ensure that these are being followed.

5.11 Recommendation 11 – Ticket sales and administration

- 5.11.1** The previous audit recommendation identified inconsistencies between monthly remittances and the operational spreadsheet, delays in receiving McGrew's monthly remittances which resulted in delays for invoices being issued and missing / incomplete documentation from event files, for example, contract / agreement.
- 5.11.2** A sample of monthly remittances were successfully traced to the operational spreadsheet.
- 5.11.3** Audit testing highlighted that Skiddle remittances should be reconciled to the operational spreadsheet to ensure that any anomalies identified have been resolved.
- 5.11.4** At the time of the audit review invoices for McGrews had been issued up to the end of March 2018.

Recommendation 2 – Skiddle remittances should be reconciled to the operational spreadsheet and any anomalies queried and resolved. (Medium)

5.12 Recommendation 12 – Unsecured value and cash handling

5.12.1 The previous audit recommendation identified examples of unaccounted for and unsecured cash.

5.12.2 A cash carrying risk assessment has now been completed and is due to be reviewed in January 2019.

5.12.3 Audit completed a walk around at the OFS on 12 June 2018 and the following was noted:

- Cash carrying log book is now in use and is retained in the box office. It was noted that they currently do not complete this if the Supervisor is giving McGrew's money to retain in their safe overnight, nor do they complete it when the money is returned. Following this the Community Development Officer sent an email (on 15 June 2018) advising staff that they need to complete the cash carrying log book when transferring value between the box office and McGrew's safe. A small safe has now been purchased and is currently situated in the upstairs office, although it is not yet in use.
- The lock has been changed on the door to the Box Office so that the door automatically closes / locks.
- The till and store cupboards were locked during the audit visit.
- Both upstairs meeting rooms were in use during the audit visit.

Recommendation 3 – Management should ensure that the safe is relocated to the box office and put into use as soon as possible. (Medium)

5.13 Recommendation 13 – General Security at the OFS

5.13.1 The previous audit recommendation identified several weaknesses in security at the OFS.

5.13.2 A copy of the opening & closing procedure was provided and reviewed. The procedures require updating as they detail the alarm code and gate access code although it does not make reference to the building they refer to.

Recommendation 4 – The alarm and access gate codes should be changed and removed from the opening and closing procedures. (Medium)

5.13.3 Audit completed a walk around at the OFS on 12 June 2018 and the following was noted:

- A copy of the Run-Hide-Tell poster is retained in the Supervisor's file in the box office and a copy is also retained in McGrew's operational file. Consideration should be given to displaying these posters in public areas, for example the toilets.
- Several CCTV signs are displayed around the OFS so the public can clearly see them.
- The CCTV was found to be recording.

5.13.4 Bag search guidance and zero tolerance drug use policy has been mentioned in the Event Supervisor procedures, this needs to be further explored and approved by management. **See Recommendation 1.**

5.13.5 Legal Services are in the process of developing a corporate CCTV policy and in line with this the Community Development Officer has started a CCTV procedure / guidance for the systems in use at the OFS, this does not yet include a regular check of the CCTV to confirm that it is working and recording correctly. **See Recommendation 1.**

5.13.6 The Community Development Officer confirmed that the OFS team have received CCTV training.

5.13.7 An up to date keyholders list was provided

5.14 Recommendation 14 – Public Liability Insurance

5.14.1 The previous audit recommendation identified that artists and bands do not always provide a copy of their public liability insurance for their event at the OFS.

5.14.2 Audit reviewed a random sample of event files to establish if a valid copy of insurance was on file, no issues were noted.

5.15 Recommendation 15 – GDPR (General Data Protection Regulation)

5.15.1 The previous audit recommendation identified that management were unsure how Mailchimp manages the OFS data and as a result if they are compliant with the Council's Data Protection Policy.

5.15.2 Audit was provided with confirmation that Mailchimp comply with the Council's Data Protection Policy.

Appendix A – Original Management Action Plan

Summary of Recommendations and agreed actions						
Recommendations	Priority	Risk Exposure	Agreed Action	Responsible Manager	Implementation Date	Actioned
Recommendation 1: Management should ensure that service risks are reviewed in accordance with the Council's Risk Management Policy. When reviewed the reviewed / modified field on project server should be manually updated.	M	If risks are not regularly monitored there is a risk that Council priorities are not achieved / supported.	Key risks for the Old Fire Station are already recorded on project server in accordance with Council Risk Management policy and are reviewed quarterly along with other service risks. During the audit the most recent review of OFS risks had not included updating of the date field (which does not occur automatically). The subsequent quarterly review of these risks has updated the date field.	Contracts and Community Services Manager	01 March 2018	Yes

Summary of Recommendations and agreed actions						
Recommendations	Priority	Risk Exposure	Agreed Action	Responsible Manager	Implementation Date	Actioned
Recommendation 2: Management should ensure that procedures / guidance is agreed and documented for all areas of the service including areas identified within this audit review. All guidance / procedures should be dated and version controlled.	M	If procedures and processes are not clearly documented there is a risk that the OFS objectives are not achieved as officers may be unsure of their roles and responsibilities.	A number of key processes are already mapped and recorded. An internal review will be held within the team to identify a full list of processes to be recorded, and a programme of documenting these will be undertaken. Once completed all processes will be held on the OFS Intranet page and reviewed annually.	Contracts and Community Services Manager	30 June 2018	In Part

Summary of Recommendations and agreed actions						
Recommendations	Priority	Risk Exposure	Agreed Action	Responsible Manager	Implementation Date	Actioned
Recommendation 3: Management should ensure that arrangements should be put in place to ensure that management receive regular assurance that all defects have been fixed and that statutory health and safety and building maintenance checks are being undertaken at the OFS. Management should consider how these checks and their outcomes should be documented and reviewed and that any remedial actions are undertaken.	M	Sanctions, litigation and reputational damage could arise from non-compliance with relevant legislation because staff are unaware of the required statutory health and safety and building maintenance checks to follow.	Property services are establishing a corporate approach to logging and tracking defects for all internal council clients. We will ensure that all defects are logged formally within this system once it is up and running. Twice yearly maintenance meetings have also be established to review defects over the 6 month period, as well as identify required health and safety and maintenance checks over the coming period. These meetings will be documented and the notes shared between Contracts and Community Services and Property Services. The first meeting has already been scheduled for March 2018.	Senior Estates Surveyor & the Contracts and Community Services Manager	01 March 2018	Yes

Summary of Recommendations and agreed actions						
Recommendations	Priority	Risk Exposure	Agreed Action	Responsible Manager	Implementation Date	Actioned
Recommendation 4: Management should ensure that all event files include the appropriate risk assessment.	M	Failure to meet Council's procedures / guidance on H & S for the Arts Centre leading to staff and members of the public being put at risk.	All files will be individually reviewed at the closure of each event, with any discrepancies in paperwork collated into a monthly report and submitted to the Contracts and Community Services Manager.	Contracts and Community Services Manager	01 March 2018	Yes
Recommendation 5: Management should seek advice from HR with reference to the two casual posts.	H	There is a reputational risk to the Council if officers do not follow HR policies and procedures / guidance.	Advice has been sought from HR regarding the two casual posts. HR's advice will be followed in terms of recognising any employment rights casual staff have accrued (if this is the case) and if appropriate formal contracts will be established. Such liabilities can be met from within existing Old Fire Station budgets.	Contracts and Community Services Manager	01 March 2018	Yes

Summary of Recommendations and agreed actions						
Recommendations	Priority	Risk Exposure	Agreed Action	Responsible Manager	Implementation Date	Actioned
Recommendation 6: Management should ensure that officers declare and resolve any interests, relationships, gifts and hospitality as per the requirement in the Officers' Code of Conduct.	M	There is a reputational risk to the Council if officers do not declare and resolve any interests, relationships, gifts and hospitality.	All staff have been reminded of the obligations within the Officer Code of conduct. All hospitality will be recorded when given or received.	Contracts and Community Services Manger	01 March 2018	Yes

Summary of Recommendations and agreed actions						
Recommendations	Priority	Risk Exposure	Agreed Action	Responsible Manager	Implementation Date	Actioned
<p>Recommendation 7: Management should ensure the following:</p> <ul style="list-style-type: none"> -that the OFS team including casuals and McGrews staff has the appropriate training to carryout out their roles safely and effectively; -regular formal 1 to 1's are undertaken for the OFS team and that annual appraisals are documented and retained. 	M	There is a risk of Council objectives not being delivered due to roles and responsibilities not being clearly defined.	<p>A training schedule is held for all casual staff with all team members currently operational having completed the relevant training.</p> <p>We will ensure that McGrew's staff complete the same basis training required of the City Council's own supervisors on a rolling programme over the next 6 months.</p> <p>Notes of 1:1s will be formally documented via email and shared immediately with team members.</p> <p>Team appraisals are undertaken annually, we will ensure that the document is retained appropriately.</p>	Contracts and Community Services Manager	<p>01 March 2018</p> <p>30 June 2016</p> <p>01 March 2018</p> <p>01 March 2018</p>	Yes

Summary of Recommendations and agreed actions						
Recommendations	Priority	Risk Exposure	Agreed Action	Responsible Manager	Implementation Date	Actioned
Recommendation 8: Management should ensure there is a system in place to ensure that all appropriate officers have a valid enhanced DBS check, including McGrews staff.	M	There is a risk of reputational damage to the Council as staff may work in an environment with vulnerable people.	<p>All city council establishment staff already who undertake work at the OFS have recorded DBS checks.</p> <p>Enhanced DBS checks have been requested immediately for casual supervisors who have not yet been DBS Checked.</p> <p>The Contracts & Community Services Manager has confirmed that relevant McGrew's staff have had DBS checks, certificates will be held on file.</p>	Contracts and Community Services	<p>01 March 2018</p> <p>01 March 2018</p> <p>01 March 2018</p>	Yes

Summary of Recommendations and agreed actions						
Recommendations	Priority	Risk Exposure	Agreed Action	Responsible Manager	Implementation Date	Actioned
<p>Recommendation 9: Management should ensure that all outstanding fire issues are satisfactory resolved as soon as possible. This should include the following:</p> <ul style="list-style-type: none"> -That a Fire Risk assessment is reviewed and updated by a competent person within the next few months; -That supervisors are adhering to their responsibilities at each event; -The fire alarm should be fixed to ensure that on activation everyone inside the OFS can hear it to ensure a safe evacuation can be undertaken; -OFS management are notified of any future incidents; 	H	Failure to meet Council's procedures / guidance on health & safety for the OFS may lead to staff and members of the public being put at risk.	<p>A refreshed Fire Risk Assessment has been booked in with a competent provider and will be completed in the coming months.</p> <p>Work to recommission the fire alarm systems so the PA system is automatically disconnected, and that beacons are added to the wall, has already been commissioned. This is due for completion by the end of March 2018.</p> <p>Staff have been reminded of the need to record alarms on a corporate incident report form as well as the fire log at the Old Fire Station. The supervisors' handbook has also been updated accordingly.</p>	Contracts and Community Services Manager	<p>30 March 2018</p> <p>30 March 2018</p> <p>30 March 2018</p>	Yes

<p>-An accident reporting form is completed when an incident occurs and the Health, Safety & Environmental Manager notified;</p> <p>-Management should discuss and agree if the staff should automatically evacuate the premises if the fire alarm is activated.</p>			<p>A refreshed evacuation procedure has already been produced which mandates that Supervisors evacuate the building whenever the alarm is activated (irrespective of if it is a known false alarm or not).</p>		<p>30 March 2018</p>	
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Summary of Recommendations and agreed actions						
Recommendations	Priority	Risk Exposure	Agreed Action	Responsible Manager	Implementation Date	Actioned
<p>Recommendation 10: Management should ensure the following:</p> <ul style="list-style-type: none"> -formal documented contract management meetings are regularly held to gain assurance that McGrew's is adhering to the agreement; -that evidence is provided to give assurance that conditions of the contract are being followed. For example: that the service providers personnel is suitably qualified, adequately trained, all comply with all of the policies of the Council, are subject to a valid enhanced disclosure check where appropriate and information is received on a timely basis. -procedures / guidance should be agreed, documented and implement to ensure consistency between Council and McGrew's events. 	M	There is a risk of reputational damage to the Council due to a failure to manage the contract appropriately.	<p>Formal contract management meetings with the concession holder have now been diarised on a twice-yearly basis in June and December (which fits with the concession holder's financial year and when his audited accounts are produced). These meetings will be formally documented.</p> <p>At the June meeting each year the conditions of contract will be reviewed and a list of required documents / evidence will be completed and submission requested. The December meeting will focus on a review of audited accounts.</p>	Contracts and Community Services Manager	01 March 2018	Yes

Summary of Recommendations and agreed actions						
Recommendations	Priority	Risk Exposure	Agreed Action	Responsible Manager	Implementation Date	Actioned
<p>Recommendation 11: Management should ensure the following:</p> <ul style="list-style-type: none"> - that ticket sales and income are accurately recorded. This should include a review of the system and documenting it to ensure consistency; - that McGrews monthly remittances are received and subsequently invoices raised on a timely basis; -that event files are appropriately completed and contain the required paperwork. 	H	Poor quality information resulting in incomplete financial records and poor performance.	<p>Updated processes are being established with McGrew's and the TIC to ensure that ticket sales are recorded consistently.</p> <p>Updates to the reconciliation sheet will be accompanied with a date stamp and note for audit processes.</p> <p>The remittance frequency with McGrews will be increased to monthly to ensure more timely payment.</p> <p>As per recommendation 4 - All files will be individually reviewed at the closure of each event, with any discrepancies in paperwork collated into a monthly report and submitted to the Contracts and Community Services Manager.</p>	Contracts and Community Services Manager	<p>30 March 2018</p> <p>01 March 2018</p> <p>01 March 2018</p> <p>01 March 2018</p>	In Part

Summary of Recommendations and agreed actions						
Recommendations	Priority	Risk Exposure	Agreed Action	Responsible Manager	Implementation Date	Actioned
<p>Recommendation 12: Management should ensure the following:</p> <ul style="list-style-type: none"> -A cash handling and cash carrying risk assessment be completed as soon as possible and guidance / procedures agreed and document; -cash is held securely in line with insurance guidelines; -a separate record is maintained of cash held; -value should be signed for when handed over or received (recommended to have a cash handling logbook); -the box office should be locked when unattended and the till key should not be left in the till; -the store cupboards should be locked when unattended; -meeting rooms should be locked when not in use. 	H	Safeguarding of value and assets is not effective because it is not held securely and can be accessed by unauthorised individuals.	A cash handling and cash carrying risk assessment has already been produced in consultation with the Health and Safety Manager. Practice and processes have been updated to reflect this assessment.	Contracts and Community Services Manager	01 March 2018	In Part

Summary of Recommendations and agreed actions						
Recommendations	Priority	Risk Exposure	Agreed Action	Responsible Manager	Implementation Date	Actioned
<p>Recommendation 13: Management should ensure the following:</p> <ul style="list-style-type: none"> -The Opening and closing procedures should be updated and should not detail the alarm code or the access gate code. These codes should be removed from the procedures as soon as possible; -Counter terrorism procedure / guidance should be documented which should include Run-Hide-Tell and bag searches; -Security procedures / guidance should be updated, documented, agreed and implemented to cover all aspects relating to OFS; -that all applicable staff receive CCTV operational 	M	Safeguarding of assets is not effective because unauthorised individuals can access the premises /premises not secured and / or inadequate safeguarding arrangements.	<p>The opening and closing procedures have been updated and do not detail any codes for alarms or access points.</p> <p>The supervisor's handbook now contains procedures for counter terrorism and bag searches.</p> <p>General security procedures and guidance will be reviewed in accordance with recommendation 2.</p> <p>CCTV operational training has already been established for core staff with a further programme of training to be established with the manufacturer.</p>	Contracts and Community Services Manager	<p>01 March 2018</p> <p>01 March 2018</p> <p>30 June 2018</p> <p>30 June 2018</p>	In Part

<p>training;</p> <ul style="list-style-type: none"> -CCTV procedures / guidance should be agreed and documented as soon as possible. This should also include retention of data and what the process is if someone requested a copy of or to look at CCTV footage, for example the Police if an incident occurred; -Liaise with legal to ensure that they have adequate CCTV signage displayed at the OFS; -The CCTV should be regularly checked to ensure it is all in working order; -the key holders list should be reviewed and brought up to date. All premises keys should be signed for; -Rooms and cupboards containing equipment at the OFS should be locked when not in use. 			<p>A corporate approach to procedures and guidance for operating CCTV across Council premises is under development. All Old Fire Station staff will be trained in, and adhere to this guidance.</p> <p>Guidance will be sought from legal on the signage and the signage itself will be updated in accordance with any advice given.</p> <p>Checks of the CCTV systems will be added to supervisor's duties before each event, with faults to be reported within the event pack returned.</p> <p>The key holder list has been reviewed and updated. All key holders are being asked to sign to acknowledge key possession.</p>		<p>30 June 2018</p> <p>30 April 2018</p> <p>01 March 2018</p> <p>01 March 2018</p>	
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			<p>All staff have been reminded of the need to keep rooms and cupboards locked. Periodic and random checks will be undertaken on this element of security with a quarterly report provided to the Contracts and Community Services Manager.</p>		01 March 2018	
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Summary of Recommendations and agreed actions						
Recommendations	Priority	Risk Exposure	Agreed Action	Responsible Manager	Implementation Date	Actioned
Recommendation 14: Management should ensure that a copy of the appropriate valid insurance policy is on file for each event.	M	Safeguarding of staff and members of the public is not effective due to insufficient insurance cover.	We will continue to pursue individual insurance policies for all acts and promoters in the immediate short term. The proposed file audit will offer assurance in this area.	Contracts and Community Services Manager	01 March 2018	Yes
Recommendation 15: Management should establish how Mailchimp manages the information and ensure that this complies with the Council's Data Protection Policy and Procedures and appropriate guidance / procedures should be documented.	M	There is a risk of reputational damage due to possible breaches to the Council's data protection policy and procedures.	Further advice will be sought from the legal team regarding the use of mail chimp immediately and in the light of GDPR.	Contracts and Community Services Manager	30 June 2018	Yes

Appendix B – Management Action Plan

Summary of Recommendations and agreed actions					
Recommendations	Priority	Risk Exposure	Agreed Action	Responsible Manager	Implementation Date
Recommendation 1: Management should ensure that all procedures / guidance are completed in full, approved and rolled out to all relevant staff.	M	If procedures and processes are not clearly documented there is a risk that the OFS objectives are not achieved as officers may be unsure of their roles and responsibilities.	Processes mapping and documentation has now been completed. A workshop will be held with all team members to agree final drafts and implementation.	Gavin Capstick	30/09/2018
Recommendation 2: Skiddle remittances should be reconciled to the operational spreadsheet and any anomalies queried and resolved.	M	Poor quality information resulting in incomplete financial records and poor performance.	The Skiddle remittances are now cross referenced with the operational spreadsheet on a monthly basis.	Gavin Capstick	01/08/2018
Recommendation 3: Management should ensure that the safe is relocated to the box office and put into use as soon as possible.	M	Safeguarding of value and assets is not effective because it is not held securely and can be accessed by unauthorised individuals.	A request has been logged with Property Services to install the safe. We are awaiting confirmation of an installation date.	Gavin Capstick	TBC

Summary of Recommendations and agreed actions					
Recommendations	Priority	Risk Exposure	Agreed Action	Responsible Manager	Implementation Date
Recommendation 4: The alarm and access gate codes should be changed and removed from the opening and closing procedures.	M	Safeguarding of assets is not effective because unauthorised individuals can access the premises /premises not secured and / or inadequate safeguarding arrangements.	The alarm and access codes have been issued on cards individually to supervisor. The cards do not reference what they are for or the building.	Gavin Capstick	01/08/2018

Appendix C

Audit Assurance Opinions

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

	Definition:	Rating Reason
Substantial	There is a sound system of internal control designed to achieve the system objectives and this minimises risk.	<p>The control framework tested are suitable and complete are being consistently applied.</p> <p>Recommendations made relate to minor improvements or tightening of existing control frameworks.</p>
Reasonable	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>Any high graded recommendations would only relate to a limited aspect of the control framework.</p>
Partial	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>High graded recommendations have been made that cover wide ranging aspects of the control environment.</p>
Limited / None	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.</p>

Appendix D

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).