

BRIDGEND COUNTY BOROUGH COUNCIL

REPORT TO AUDIT COMMITTEE 20th August 2008

REPORT OF THE CORPORATE DIRECTOR - RESOURCES

SPORTS & LEISURE CENTRES

1. Purpose of Report

- 1.1. To summarise for members the findings of the audits of Sports & Leisure Centres recently completed by the Internal Audit Division, and to highlight common themes arising from them.

2. Connection to Corporate Improvement Plan / Other Corporate Priority.

- 2.1. Internal Audit's work impacts on all of the Corporate Improvement Plan/other corporate priorities.

3. Background

- 3.1. Internal Audit regularly reviews the operational and financial controls at the Authority's eight sports, leisure and swimming centres to seek assurance that the key risks to the service are addressed by management.

- 3.2. Risks and controls are reviewed in respect of:-

- Business planning, including financial management
- Health and safety to the public and staff
- Accounting for income
- Purchasing of goods and services
- Staff resources
- Security of assets, stock and cash

- 3.3. The centres are:-

- Bridgend Recreation Centre
- Maesteg Sports Centre
- Maesteg Swimming Pool
- Pencoed Swimming Pool
- Pyle Swimming Pool
- Ynysawdre Swimming Pool
- Garw Valley Life Centre
- Ogmore Valley Life Centre

3.4. A sample of centres/pools is selected each year for audit. In addition, Internal Audit carries out reviews on request from management.

4. Current situation / proposal.

4.1. Internal Audit has recently completed audits in a number of these centres and the results are summarized in the following table.

Report	Draft Report Issued	Audit Days	Key Messages	Audit Opinion	Key Action Plan Dates
Pyle Swimming Pool	March 2008	2	The original audit in 2006 found the controls to be inadequate. The follow up found 13 of 20 recommendations have been implemented and control framework now improved. Recommendations were made in respect of the lack of a business plan, purchasing and inventory controls, and evidence of CRB (Criminal Records Bureau) checks of new staff.	Adequate assurance	April – June 2008
Garw Valley Life Centre	January 2008	2	The original audit in 2006 found the controls to be generally adequate. The follow up found 4 of the 7 recommendations implemented.	Adequate assurance	June 2008
Ogmore Valley Life Centre	January 2008	2	The previous audit in 2005 found controls to be adequate. Of 12 recommendations made then only 4 had been implemented at the time of this follow up review. However, our opinion is that this does not impact on our overall opinion on control. We have made recommendations in relating to evidence of CRB checks.	Adequate assurance.	June 2008
Maesteg Sports Centre	January 2008	2	The previous audit in 2004 found controls to be inadequate. 13 recommendations were made of which 8 were found to be in place during our review in 2007/08. As above we have made recommendations in respect of CRB checks. Improvements are also needed in regard to payroll related records.	Adequate assurance.	June 2008

Report	Draft Report Issued	Audit Days	Key Messages	Audit Opinion	Key Action Plan Dates
Bridgend Recreation Centre	November 2007	26	<p>Management requested Internal Audit to review financial controls relating to income due to concerns arising as a result of their monitoring process. The review, which was not a full audit of all the centre's operations, was carried out in November 2007.</p> <p>We have concerns over the weaknesses in control over cash and bar stocks to such an extent that we have deemed the systems of control to be inadequate. Accordingly the full report is attached as Appendix A.</p>	Inadequate Assurance	Jan – Dec 2008
Maesteg Swimming Pool	December 2007	20	<p>The pool was audited in July 2007 as part of Internal Audit's plan for 2006/07.</p> <p>We have concerns over business planning, budget monitoring, CRB checks and health & safety. In our opinion inadequate assurance is given that key risks are controlled. It should be noted that an audit opinion that there was inadequate control was given in the previous audits in 2004 and 2005. The full report is attached as Appendix B.</p>	Inadequate Assurance	Mar – June 2008
Pencoed Swimming Pool	January 2008	13	<p>An audit of the pool was carried out in August 2007 as part of Internal Audit's plan for 2006/07.</p> <p>We have concerns over CRB checks, health & safety, income and purchasing controls. In our opinion inadequate assurance can be given that key risks are controlled. The full report is attached as Appendix C</p>	Inadequate Assurance	Mar – June 2008

4.2. We note that there are some common issues with a number of centres, particularly in respect of financial procedures and CRB checks of employees. There are weaknesses in processing cash income and related monitoring, stock control and purchasing. In our view employees working with minors should be checked via the

Criminal Records Bureau. There is little evidence of these checks having been undertaken on behalf of Sports and Leisure.

4.3. We have discussed the need for training in financial procedures with senior sports and leisure managers. Training will be provided to managers, supervisors and appropriate staff.

4.4. We are currently finalising a report on the use of Criminal Records Bureau checks by the Authority and will present the results to Audit Committee in due course.

4.5. The results of the follow up audits and the audit of Maesteg Swimming Pool also indicate that insufficient management attention is given to implementing recommendations made and agreed by them.

4.6. As a result of the outcomes at Bridgend Recreation Centre, Maesteg and Pencoed Swimming Pools we have concluded the risks posed at these centres are significant and have included audits of these centres in the 2008/09 Internal Audit Plan.

4.7. I will be happy to deal with any points members wish to raise on these audits and Service Managers have been invited to attend the meeting to take with any questions members wish to put to them.

5. Effect upon Policy Framework & Procedure Rules.

5.1. None

6. Legal Implications.

6.1. There are no legal implications.

7. Financial Implications.

7.1. None

8. Recommendation.

8.1. That Members note the report

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12th August 2008

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Background documents

Internal Audit reports relating to the above audits held within the Internal Audit Division