



# Internal Audit Final Report

## Pencoed Swimming Pool

**Directorate: Wellbeing**  
**Date: 23<sup>rd</sup> April 2008.**

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Auditor: Jane Evans

## 1. Introduction

- 1.1. An audit at the Pencoed Swimming Pool was carried out in August 2007 as part of the internal audit plan for 2006/07.
- 1.2. Pencoed Swimming Pool has a staff of 14; the manager is directly responsible for 2 head assistants, 2 fitness suite assistants, 6 recreation assistants and 3 receptionists. In addition the pool engages approximately 15 casual coaching staff as and when required.
- 1.3. Levels of income and expenditure for 2005/06 to 2006/07 are summarised below:

<b>Income</b>	<b>2006/07</b>	<b>2005/06</b>
Fees & Charges	£168,209	£144,288
Bridge Card Sales	£126,060	£112,368
Vending	£16,885	£15,815
<b>Total Income</b>	<b>£311,154</b>	<b>£272,471</b>

<b>Expenditure</b>	<b>2006/07</b>	<b>2005/06</b>
General expenditure	£420,862	£396,485
Repairs	£31,340	£32,399
<b>Total Expenditure</b>	<b>£452,202</b>	<b>£428,884</b>
<b>Net deficit /Subsidy</b>	<b>£141,048</b>	<b>£156,413</b>

- 1.7 The Authority has therefore subsidised the operations of the pool by £141,048 in 2006/07 which is a decrease in the deficit of £15,365 from 2005/06. This decreased deficit is mainly as a result of an increased income from admission fees and bridge card sales following the refurbishment of the gym, however part of the increased income is offset by rising associated staff costs.
- 1.8 The functions of the section were documented, key controls were identified and testing undertaken. The audit findings are based on discussions with staff, observations, and the results of sample testing. Visits to the Pool involved the review of key areas which include:
- Policy & Procedures
  - Ordering & Receipt of Goods
  - Income Control
  - Cash Control
  - Payroll & Staffing
  - Budget Monitoring
  - Stock Control
  - Security
  - Statutory Issues
  - Follow up of 2002/03 recommendations
- 1.9 This report sets out the findings of the review and makes recommendations, where it is felt that improvements in financial and non-financial administration should be made.

## **2. Objectives of the Audit**

2.1. The main objectives of the audit were to ensure:

- Business objectives are being met, including financial management
- Ordering of goods and services is in line with regulations and VFM
- Income is captured, recorded and banked
- Cash is secure
- Staff resources are adequately managed
- Stocks and Stores are adequate and safeguarded:
- Security of cash, customers, staff, building and IT systems is adequate
- Relevant laws and regulations are complied with

## **3. Audit Opinion**

- 3.1. Controls in place to meet several of the objectives stated in section two are adequate. However improvements in the implementation of controls in some key areas such as Criminal Records Bureau (CRB) checks, health checks associated with using the gym facilities and income and purchasing controls are required. The overall audit opinion on Pencoed Swimming Pool is that there is inadequate control over the key risks to the operation.
- 3.2. Whilst there are some concerns relating to health and safety it is pleasing to note that a positive attitude is shown at the pool in respect of the Health & Safety Planned Approach that has been developed throughout leisure establishments. Good records are kept to support the work completed. Comprehensive Risk Assessments are also maintained along with a visual mapping system of incidents/accidents to help identification of 'hot spots' where further investigation may be required.
- 3.3. We have also made a small number of recommendations, which include one off occurrences of failures in control which may be due to one off errors or weaknesses in the system. These are detailed in the main report and accompanying action plan, categorised as Merits Attention.
- 3.4. This audit report is a report of exception and therefore only where issues have been identified have they been commented upon.

## **Acknowledgement**

A number of staff gave us their time and co-operation during the course of this review. We would like to record our thanks to all of the individuals concerned.

## 4. Findings and Recommendations

*Risk may be viewed as the chance, or probability, of one or more of the organisation's objectives not being met. It refers both to unwanted outcomes which might arise, and to the potential failure to realise desired results.*

*The **recommendations** column is categorised on the following basis:*

- Fundamental - action that is considered imperative to ensure that the organisation is not exposed to high risks;*
- Significant - action that is considered necessary to avoid exposure to significant risks;*
- Merits attention - action that is considered desirable and should result in enhanced control or better value for money.*

### 4.1 Budgetary Control

	<b>Objective</b>	<b>Possible Risk</b>	<b>Test Result</b>	<b>Recommendation</b>	<b>Categorisation</b>
4.1.1	To ensure that budgets are monitored and action taken where necessary.	Corrective action is not taken and budgets are exceeded.	<p>Finance prepare monthly budget spreadsheets which are saved on the computer network and accessible by the Pool Manager, Quality Development Manager and the Programme Development Manager. In addition to the centrally prepared budget reports the Pool Manager also keeps comprehensive budget reports which are updated as and when time permits, usually on a weekly basis.</p> <p>A monthly business report is produced with the Pool manager collating the required information.</p> <p>Meetings are held monthly with the manager and Quality Development Manager / Programme Development Manager Summary review notes are then compiled with agreed action noted.</p> <p>However, during the management changes these meetings /reports have not always taken place/fully completed, with reports missing for July, August and September 2006 and February and March 2007.</p>	Monthly management meetings and Business Reports should be completed in a timely manner	Merits Attention

#### 4.2 Cash Control

	Objective	Possible Risk	Test Result	Recommendation	Categorisation
4.2.1	To ensure cash allocated to the Pool is securely controlled.	There is a risk that cash is not issued to appropriate persons and not held securely.	<p>The till float is £80, a review of the float was undertaken and it was found to be complete.</p> <p>Floats are reconciled as part of the Z reading procedure which is done as part of the shift handover which is usually twice a day.</p> <p>Float hand over records were reviewed for two separate periods in the year: March 2007 and August 2007, and the following was noted:</p> <ul style="list-style-type: none"> <li>2 "Issued By" signatures were missing.</li> <li>1 "Issued To" signatures were missing.</li> <li>2 "Received By" signatures were missing.</li> </ul> <p>The following issues were noted during the review of the refund/void system:</p> <ul style="list-style-type: none"> <li>• Refunds/voids are processed through the till and a dual signature procedure is in place.</li> <li>• Refund receipts are attached to the Periodic Income Reports</li> <li>• Only the Head Attendants and the Manager have access on the system to allow refunds/voids to be carried out.</li> <li>• A report is in place within TMLS, which can identify the refunds and voids issued daily by individual users, however this was found not to be in use.</li> </ul> <p>Discussions with management clarified that only the Head Attendants and the Manager have access on the system to allow refunds/voids to be carried out.</p>	<p>Float handover records should be completed in full.</p> <p>Consideration should be given to using the TMLS report on refunds/voids, this will allow a full review and reconciliation to printed receipts submitted to management. This could be carried out as a random exercise to identify inappropriate refunds and potential staff training.</p>	<p>Merits Attention</p> <p>Merits Attention</p>

	Objective	Possible Risk	Test Result	Recommendation	Categorisation
4.2.2	To ensure cash is lifted at the end of day and deposited appropriately.	There is a risk that cash is not collected and deposits are not banked in full.	<p>A review of the banking process identified the following:</p> <ul style="list-style-type: none"> <li>Banking slip – 1/52 banking slip does not agree to the amount showing on the cash sheet.</li> <li>Securicor do not sign daily collection forms however all receipts issued by Securicor are signed by Securicor staff.</li> <li>1/52 of the daily collection forms had not been signed by pool staff on collection.</li> <li>Z-reading numbers followed consecutively, however 4/52 of the readings were not present. Of the remaining 48 Z readings tested, 4/48 had only one signature and 2/48 had no signatures.</li> <li>2 discrepancies (unders/overs) above £5.00 were found between Z Reads and cash lifted from the tills for the sample tested all were found to be shown in Periodic Income Reports and explanations were noted on the summary sheets.</li> <li>3 entries on the unders / overs summary sheets were found not to agree to those reported on the Z readings. However, these were all relatively small amounts and 2 of the three differences are the correct amounts but are categorised incorrectly on the summary sheet (unders classed as overs).</li> <li>Three E Returns were not present on file for review. However, a note was made on the daily cash collection sheets that the computer was down and consequently no confirmations were printed off. A review of the relevant cash sheets show that an E reference was noted and on review of CedAr the takings were found to have been entered under this reference suggesting that a return was made. All returns were made in a timely manner.</li> </ul>	<p>All Z-reading should be appropriately extracted, signed by two persons and the difference between the Z-reading and banking should be investigated.</p> <p>Care should be taken to ensure that Daily Cash Collection forms are signed by staff when collected by Securicor</p> <p>Entries made on the over / under summary sheets should be checked to ensure they correspond to the calculations made on the Z reading.</p>	<p>Significant</p> <p>Merits Attention</p> <p>Merits Attention</p>

### 4.3 Income

	Objective	Possible Risk	Test Result	Recommendation	Categorisation
4.3.1	To ensure cash received is administered and banked in tact.	There is a risk that hire income is not levied at the correct rate, administrative documentation is not in place and hirers use the facilities although they are in debt to the Pool.	<p>The following information was identified during the review of hire income:</p> <ul style="list-style-type: none"> <li>• There are 6 clubs that use the pool regularly: Canoe Club; Kraken Divers; Bridgend Swim Club; Bridgend Sharks; Triathlon Club; Lifesavers Club.</li> <li>• The Pool Manager requests copies of Insurance Certificates, Instructor Qualifications and also conformation of completed Police checks for new club coaches</li> <li>• Each club completes a Club Block Booking Application Form and a booking confirmation is then sent to each club.. The clubs will complete the club hire register on attendance</li> <li>• Requests for payment for the previous months use of the pool is issued to the club at the earliest opportunity in the first week of each month. However request for payments are not always necessary as some clubs are eager to pay and will do so before the request has been prepared.</li> <li>• The Club Hire Register is ruled off after every request for payment that is made and the receipt numbers entered on the register when payment is received. Any cheque payments received by post are recorded. Copies of the Request for Payment are retained and the till receipt on payment is attached. Receipt of Club Hire Payment form is completed and copy retained by the pool.</li> </ul> <p>The following information was identified during the review of Club and Party hire income:</p> <ul style="list-style-type: none"> <li>• Charges applied for Sunday usage by Bridgend Swim Squad have been made at £42 instead of £53.62.</li> <li>• 7/11 party hire charges made at the rate of £47 instead of £49, this may be due to bookings made in advance of the date of the party.</li> </ul>	Club and party hire charges should be provided to the pool in a timely manner and the charges applied by the pool should reflect the appropriate schedule of rates for that period.	Merits Attention



	Objective	Possible Risk	Test Result	Recommendation	Categorisation
4.3.2	To ensure vending income received is administered appropriately and banked intact.	There is a risk that vending machines are not emptied regularly, two persons are not present and where the vending is contracted to an external supplier, the Pool may not receive all commission due.	<ul style="list-style-type: none"> <li>• The cold drinks machine is managed by an external contract which is controlled centrally and commission information is provided to the Pool Manager by the Finance Officer.</li> <li>• The Pool Manager accompanied by Head Attendant or Receptionist empties the vending cash box to which he is the only member of staff that has keys. A vending machine cash sheet is completed allowing the monitoring of income against sales made.</li> <li>• Money lifted from the vending machines is then put through the till.</li> <li>• Checks have been made that the date emptied and the amount on the form reconciles with the till receipt.</li> <li>• A reconciliation checking all till amounts banked was carried out.</li> <li>• Vending – 1 occasion the till receipt was not present and a note on the vending machine income form shows that computer link not working</li> <li>• 2/23 occasions the vending machine income form was incomplete with verification signature and date banked omitted.</li> <li>• Telephone – 2/6 occasions the income forms were not dual signed</li> <li>• Hairdryer - 1/9 date banked, till receipt number and bank slip number were not entered.</li> </ul>	<p>Care should be taken to ensure that Income forms are signed by both parties present, and the form completed in full.</p> <p>A manual receipt book should be held to record all income received when till failure occurs</p>	Merits Attention

	<b>Objective</b>	<b>Possible Risk</b>	<b>Test Result</b>	<b>Recommendation</b>	<b>Categorisation</b>
4.3.3	To ensure Bridgecard issue is administered appropriately.	There is a risk that cards are issued to inappropriate persons.	<ul style="list-style-type: none"> <li>• Bridge cards can be purchased from the Centre, whereby an application form is completed by the customer, a card issued and activated through the till. Application forms are then sent to the Bridge Card office weekly. When stocks are low, the Bridge card office is informed and requested to issue more cards. The stocks are printed with uniquely identifiable reference numbers</li> <li>• A reconciliation between the stock of Bridge Cards issued and received is not maintained by the Centre although the risk is low due to a central register being kept by the Bridge Card Office.</li> <li>• A report taken from the Leisure Management computer system, Torex and Bridge Card application forms for June and July 2007 reviewed, and all applications have been completed in full by both the applicant and the pool.</li> </ul>		

#### 4.4 Ordering, Receipt and Payment of Goods and Services

	Objective	Possible Risk	Test Result	Recommendation	Categorisation
4.4.1	To ensure that the ordering, receipt and payment of goods is in line with financial procedures.	<p>There is a risk that goods are ordered inappropriately, goods are received that have not been ordered and invoices are issued at a price not agreed when the order was made.</p> <p>There is a risk that the pool is invoiced for goods it did not receive.</p>	<p>A review of 13 orders and 4 utility bills was completed and the following issues were identified when this process was reviewed:</p> <ul style="list-style-type: none"> <li>• In all instances, orders were found not to have been ruled off.</li> <li>• 6/13 not evidenced on delivery note whether checked against physical delivery or purchase order.</li> <li>• No segregation of duties between person ordering goods and authorising the invoice in 7/13 orders</li> <li>• 4 suppliers were not on the approved Directory of Contracts list published by Procurement. Such suppliers may not represent value for money.</li> <li>• 7/13 invoices not stamped on receipt.</li> <li>• 10/13 invoice amounts did not agree to order amounts. Three of these related to gas oil purchases where there may have been oil price fluctuations. Other included incorrect unit prices being used when ordering and calculation errors.</li> <li>• One invoice requiring early payment to receive discount was not authorised and processed in time to achieve the discount. During discussions with the Pool Manager, it was noted that on times invoice payments may be delayed due to the central finance office waiting for a batch of invoices to arrive before making payments.</li> <li>• Meter readings have been kept, however a review of these readings suggests that the figures are taken directly off the bills as the figures in two instances include “e” for estimate. Discussions with the Manager confirmed this and as part of the Energy Monitoring Scheme from August 2007 checks of water and electricity meters are conducted.</li> <li>• An authorised signatory list is held at the Pool with the Pool Manager and two Head Attendants listed as signatories.</li> </ul>	<p>a) There should be segregation of duties evident between ordering and receiving goods, and authorising payment.</p> <p>b) Purchase orders should be ruled off to prevent further items being included.</p> <p>c) All delivery notes should be checked to ensure that the goods included correspond with the original purchase order and only includes goods that have actually been delivered. This check should be evidenced by the person checking the goods. If there is no delivery note, it should be recorded on the order or invoice that the goods have been received, signed and dated by the recipient.</p> <p>d) Meter readings should be checked on receipt of utility bills, to ensure the bill corresponds to the correct usage.</p> <p>e) Suppliers should be selected from the approved Directory of Contracts list, however management may wish to consider development of a suppliers list that will be more appropriate to the leisure service needs.</p> <p>f) All invoices should be stamped on receipt.</p> <p>g) Correct up to date prices should be used on orders, and care taken to ensure calculations made in totalling values are correct.</p> <p>h) Where discount is available for early payment, every effort should be made to ensure that these conditions are met..</p>	<p>Significant</p> <p>Merits Attention</p>

#### 4.5 Payroll and Staffing

	Objective	Possible Risk	Test Result	Recommendation	Categorisation
4.5.1	To ensure that Staff are only paid overtime that has been worked and documents support the claim. Job descriptions, CRB checks, and qualifications are in place for staff.	<p>There is a risk that staff are paid for hours not worked.</p> <p>There is a risk that staff do not hold the requisite level of qualifications to undertake their role and job descriptions are outdated such that they do not accurately represent the duties carried out.</p> <p>Staff that have not been CRB checked could be working with minors.</p>	<p><b>Staffing Structures</b></p> <ul style="list-style-type: none"> <li>The current staffing structure at the Pool was provided by the Pool Manager</li> <li>Long term sickness and maternity leave have contributed to increased salary costs and the Absence Summary report from Trent (HR Payroll system) confirms this.</li> <li>A Headcount Analysis report from the HR/Payroll system confirms all current staff.</li> </ul> <p><b>Overtime Claims - week ending 08.04.07 and 27.05.07</b></p> <ul style="list-style-type: none"> <li>Staff rotas are clear, maintained weekly and made available to staff.</li> <li>3 occasions the employee did not sign in</li> <li>1 occasion the employee did not sign in clearly.</li> <li>7 occasions the employee did not sign out.</li> <li>1 occasion the employee claimed overtime for time before the signing in time</li> <li>3 occasions timesheets did not have authorization signature</li> <li>It was noted that one member of staff is working under differing terms and conditions of employment which appears to be contrary to BCBC policy. The issue was discussed with the Pool Manager and HR. HR have advised all Pool Managers to ensure that appropriate terms and conditions are applied to all staff.</li> </ul> <p><b>CRB/Job Descriptions/Qualifications</b></p> <ul style="list-style-type: none"> <li>Human Resources department are responsible for completing CRB checks. HR, CRB Team maintains a database that records when a CRB check has been carried out. The HR CRB team confirmed that there is no record of any member of staff from Pencoed Pool having undergone a CRB check held on their database.</li> </ul>	<p>a) All signing in/out forms should be completed in full.</p> <p>b) All timesheets should be verified for accuracy.</p> <p>c) All overtime on timesheets should be reconcilable to the signing in/out sheets</p> <p>d) The harmonisation of differing employment terms and condition should be considered.</p> <p>e) All staff in contact with minors should be CRB checked whether they are new starters or current employees of the Pool.</p> <p>f) The Pool Manager should consider maintaining a spreadsheet detailing qualifications and expiry or renewal dates of all staff.</p> <p>g) All staff qualification certificates should be held on staff personnel file</p>	<p>Significant</p> <p>Merits Attention</p>

	Objective	Possible Risk	Test Result	Recommendation	Categorisation
			<ul style="list-style-type: none"> <li>• Personal files kept in the HR department were reviewed for job descriptions, qualification certificates and evidence of CRB checks and the following was noted:                             <ul style="list-style-type: none"> <li>○ There is no evidence to confirm that any member of staff has been CRB checked.</li> <li>○ JD's held for 5/20 staff</li> <li>○ 2/20 Qualifications certificates are held on file</li> </ul> </li>   <li>• Job Descriptions and Qualification certificates reviewed at the pool showed that:                             <ul style="list-style-type: none"> <li>○ Job descriptions are present for all posts</li> <li>○ 4 members of staff hold the National Pool Lifeguards Qualification (NPLQ ), one certificate expired in June 07, further discussion with the Pool Manager established that renewal of the certificate has taken place however the new certificate has not yet arrived at the Pool</li> <li>○ 9 members of staff are 1<sup>st</sup> aiders as indicated by central records and certificates were evident for 6. 3 have expired with two members of staff recently receiving refresher training and the remaining member of staff due to retrain when returning to work following a period of long term absence.</li> </ul> </li> </ul>		

#### 4.6 Procedures

	Objective	Possible Risk	Test Result	Recommendation	Categorisation
4.6.1	Ensure that business plans are in place and policy and procedures are adhered to.	The Pool is operating with no strategic planning or direction which may lead to a failure of the establishment to meet its objectives.	<ul style="list-style-type: none"> <li>• A copy of the 2006/7 business plan for Pencoed Pool was provided.</li> <li>• The Finance and Staff Handbook are available and held in the office at the swimming pool.</li> <li>• Specific operational procedures (updated September 2007) are available at the swimming pool and held in the Managers Office, they include: <ul style="list-style-type: none"> <li>○ Strategy &amp; Business Planning</li> <li>○ Health &amp; Safety</li> <li>○ Finance and Administration</li> <li>○ Customer Relations</li> <li>○ Personnel</li> <li>○ Continuous Improvement</li> </ul> </li> <li>• The authorised signatory list is held at the swimming pool, and a copy provided dated 20/07/07 which shows the signatories as: The Pool Manager and two Head Attendants.</li> </ul>	None	

#### 4.7 Statutory

	Objective	Possible Risk	Test Result	Recommendation	Categorisation
4.7.1	Ensure statutory compliance and regulations are adhered to.	There is a risk that the Pool is not complying with established laws and regulations.	<ul style="list-style-type: none"> <li>• Leisure Service operates a Health &amp; Safety planned approach to monthly activities. The H&amp;S Procedural Review Plan is displayed in the Managers office. Records to support the planned approach are also present.</li> <li>• Health &amp; Safety committee meets every quarter, minutes reviewed for June, September and December 2006 and March 2007 show that there is Representation of Pencoed Swimming Pool at the meetings</li> <li>• HASWA certificate is located in staff room, one of the Head Attendants is the nominated Health &amp; Safety Representative.</li> <li>• Signing in/out records examined for the period 02/08/07 to 06/08/07 focused upon adequate 1<sup>st</sup> Aid cover at the pool, and week ending the 27/05/07 and 08/04/07 was used to verify staff overtime claims. The following was noted: <ul style="list-style-type: none"> <li>○ On all occasions adequate 1<sup>st</sup> Aid cover was provided at the pool.</li> <li>○ On 11/18 occasions there is evidence that employees did not sign in/out.</li> </ul> </li> <li>• A review of equipment checklists shows that records of equipment checks are present and up to date for poolside equipment and PPE.</li> <li>• A review of the inflatable checklist for the period 03/06/07 to 19/08/07 was carried out and the following noted: On two occasions the checklist is not present, the inflatable checklist is present and completed for all other occasions.</li> </ul>	<p>a) All staff should be made aware of the importance of signing in and out to facilitate verification of attendance and to confirm presence in an emergency.</p> <p>b) The inflatable checklists should be completed in full in line with issued guidance.</p>	Significant

	Objective	Possible Risk	Test Result	Recommendation	Categorisation
4.7.2	To ensure that appropriate Risk Assessments are conducted.	Incident occurring that could have been prevented.	<ul style="list-style-type: none"> <li>• A review of Health &amp; Safety Risk Assessments was carried out and the following noted: <ul style="list-style-type: none"> <li>○ There are designated Risk Assessment files for designated areas of the establishment including, Office and Reception, Pool Hall, Plan Room, Gym.</li> <li>○ Risk Assessment files are also present for Fire, COSHH, Legionella, Statutory Inspections, Asbestos Register.</li> <li>○ All risk assessments are up to date and have been reviewed regularly.</li> <li>○ Following a serious incident at the Pool in May 2007 the risk assessments have been reviewed.</li> <li>○ A review of the Accident/ Incident reporting show that accidents/incidents are recorded and a map/location list is maintained highlighting any 'danger areas' that requires further investigation</li> </ul> </li> </ul>		
4.7.3	To ensure that appropriate health assessments are made to new member applications before using the gym facilities.	Risk of incidents occurring where unsuitable persons are permitted to use the gym facilities which may result in litigation and/or reputational damage.	<ul style="list-style-type: none"> <li>• A review of the Physical Activity Readiness form for gym admittance (PAR Q form) was carried out and the following noted: <ul style="list-style-type: none"> <li>○ 2/20 bridge card numbers missing</li> <li>○ 12 /20 'Health Check Form Issued?' Not completed</li> <li>○ 1 form was not signed by the gym instructor</li> <li>○ 14/20 have not been signed by member to confirm that the induction has been carried out.</li> <li>○ 1 member had been issued with a Health Check form which was missing from the file.</li> <li>○ 1 adult member had completed a junior PAR Q form.</li> <li>○ Following initial feedback during the audit process the PAR Q form is being reviewed to ensure that it is fit for purpose.</li> <li>○</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>a) PAR Q forms must be fit for purpose and a full review of the current format is recommended. Consideration should be given to using one standard format to eliminate incorrect forms being used.</li> <li>b) The PAR Q form should be completed in full on all occasions with appropriate health checks undertaken.</li> <li>c) Procedural guidance should be issued to all staff that complete the PAR Q forms.</li> </ul>	Significant



	Objective	Possible Risk	Test Result	Recommendation	Categorisation
4.7.4	Ensure statutory compliance and regulations are adhered to.	Environmental damage that may result in litigation and/or reputational damage.	<ul style="list-style-type: none"> <li>• Environmental Health Officers provided information relating to an oil leak at Pencoed Pool which occurred in December 2005. Further discussion with the Pool Manager highlighted the following:               <ul style="list-style-type: none"> <li>○ The oil leak was due to a fractured line which was discovered when oil was being used unusually quickly.</li> <li>○ The exact amount of oil lost from the tank was not established and only an approximate amount lost was made.</li> <li>○ The normal procedure when receiving a delivery of oil is that the oil gauge on the tank is checked by the Pool Manager or Head Attendant prior to the tank being filled and again on completion, however no records are kept by the pool staff. The gauge is only accurate to within 100 litres. A computerised print out is provided by the oil company delivery person which is signed as received by the Pool staff.</li> <li>○ Following the incident the tank has been refurbished and the tank housing has also been improved to ensure any future leaks are contained within the housing area.</li> <li>○ No checks or monthly comparisons are made of the oil usage and there are no records kept to indicate any malfunction of equipment.</li> </ul> </li> <li>• Pencoed Pool has not been subject to a food inspection by the Environmental Health Department as it operates from vending machines only. However under the new Food Hygiene (Wales) Regulations 2006 if the vending machines are hired and maintained by the pool, it is required to be registered as a food premise. As this is the case at Pencoed Pool, a copy of the registration form has been provided to the Pool Manager for completion.</li> </ul>	<ul style="list-style-type: none"> <li>a) Records should be maintained for oil delivery and usage, before and after readings taken from the oil tank gauge and consumption for the period. These readings should be checked against the computer printout provided by the oil company.</li> <li>b) Oil usage comparison checks should be considered to help identify any variances which may be an indicator of equipment malfunction.</li> <li>c) The Food Premises Registration form should be completed and returned to the Environmental Health Department in a timely manner.</li> </ul>	Significant

	<b>Objective</b>	<b>Possible Risk</b>	<b>Test Result</b>	<b>Recommendation</b>	<b>Categorisation</b>
4.7.5	Ensure appropriate levels of water testing are conducted.	Unsuitable water quality may result in litigation and/or reputational damage.	<ul style="list-style-type: none"> <li>For the period April 2006 to present the records of water testing carried out by BCBC, Environmental Health Department show that no major problems have been identified. However, when reviewing the water testing forms at the Pool for the period 01.04.07 to 29.07.07, 9/18 of the sheets have not been signed to confirm that the information has been reviewed by the manager.</li> </ul>	The water testing forms and checklists should be completed in full in line with issued guidance.	Merits Attention

#### 4.8 Stock Control

	Objective	Possible Risk	Test Result	Recommendation	Categorisation
4.8.1	Ensure stock is controlled appropriately, logged in and out and write offs are appropriately evidenced and documented.	There is a risk that stock is lost through poor record keeping and stock control procedures.	<ul style="list-style-type: none"> <li>• Stock checks for catering stock are undertaken by Stockwatch. Income Vs stock comparison indicates a positive balance. Target stock holding indicates that the pool is under target, this could be explained by the size of the store room.</li> <li>• Discussion with the Pool Manager clarified that the pool does follow a strict stock control procedure relating to reordering and ordering of goods. Regular reviews of stock to be ordered are made and orders are adjusted accordingly.</li> <li>• Stock records are maintained for the movement of vending machine stocks on a 'Vending Stock Control Form'. Only one person has to sign the form when adding / removing items.</li> <li>• Out of date items are written off during quarterly stock takes carried out by Stockwatch. It was noted from the Stockwatch report that £121.00 worth of stock was written off for the period 26/03/07 to 19/07/07. Further discussions with the Pool Manager established that this was due to some stock items not selling which resulted in a large amount of tea which had passed the use by date. Responsibility for ordering of stock has not been consistent and therefore some personal preferences may have influenced items that have been ordered, which do not necessarily reflect items which sell easily.</li> <li>• Stock records on sports equipment and certificates/badges/awards are completed using the TMLS system which is automatically updated at point of purchase. Stock levels are monitored using the system however the Pool manager makes little use of this system as the reception staff always bring to his attention when stock is required, however the system is used as a safeguard.</li> </ul>	<p>a) The Vending Stock Control form should be amended to incorporate the dual signature process each time the machines are replenished</p> <p>b) A consistent approach to the ordering of stock should be considered and items should be chosen based on saleability and not personal preference.</p> <p>c) Use by dates should be reviewed when receiving goods to ensure that goods are not out of date and have a sufficient shelf life.</p>	Merits attention

	<b>Objective</b>	<b>Possible Risk</b>	<b>Test Result</b>	<b>Recommendation</b>	<b>Categorisation</b>
			<ul style="list-style-type: none"><li>• A review of vending stock showed that out of a sample of 15 all appeared in date and were sufficiently dated to avoid any out of date stock occurring.</li></ul>		

## 4.9 Security

	Objective	Possible Risk	Test Result	Recommendation	Categorisation
4.9.1	To ensure security of assets is adequate	There is a risk that assets are not held securely.	<p>A review of security measures in place at the Centre were reviewed and the following was identified:</p> <ul style="list-style-type: none"> <li>The safe is located in a room between the reception area and the office, with access through the reception door.</li> <li>The reception door has a keypad security lock. It was noted during the audit process that the keypad lock was not being used appropriately, giving access to all staff and members of the public using the pool facility.</li> <li>The Manager and Head Attendants each have a set of keys which are recorded on the register of key holders. The key register currently in place is dated 28/08/07.</li> <li>Till passwords are in place and are changed every 60 days, a 'timing out' system is not used on TMLS system and has not been activated for the computer system in the office.</li> <li>The pool manager informs the Central IT/Finance support services of new starters who will set up the new users on the TMLS system. The manager confirmed that he does not inform Central IT/Finance support services of leavers.</li> </ul>	<p>a) The keypad on the reception door should be activated and only authorised staff given access to the security keypad number.</p> <p>b) The possibility of a 'time out' system being introduced to TMLS should be considered and users should log out of the computer system when not in use.</p> <p>c) Consideration should be given to periodic lists of current staff being made available to the Facilities Co-ordinator by the Centre Manager, in order for a reconciliation between staff active on the TMLS system and current staffing lists can be completed. This would identify any leavers of the Centre to be inactivated on the TMLS system.</p>	<p>Significant</p> <p>Merits Attention</p> <p>Merits Attention</p>
4.9.2	Ensure an that an up to date inventory is in place.	There is a risk that assets paid for are no longer held by the Pool and the Council is not aware of their existence.	<ul style="list-style-type: none"> <li>The Manager updates the inventory electronically annually, however this was still in progress and was presented at the end of the audit. On discussion with the Manager he confirmed that the inventory is not checked or authorised.</li> <li>A verification exercise was not possible during the audit as an up to date inventory was not in place and only presented at the end of the audit.</li> <li>Other items held by the Pool on behalf of the clubs are canoes and floats, with the clubs having responsibility for insuring.</li> </ul>	<p>a) An inventory should be maintained which should include a description, reference number, it's location and condition..</p> <p>b) Consideration of updating the inventory on a perpetual basis, i.e. at the time of additions/disposals rather than annually.</p> <p>c) An annual verification exercise should then be carried out which should be verified Consider verification of the inventory by a second person, with a copy being signed and dated.</p>	<p>Merits Attention</p>

#### 4.10 Follow up Recommendations

	Objective	Possible Risk	Test Result	Recommendation	Categorisation
4.10.1	Review 2002/03 recommendations and enquire to their completeness, where they are not being covered as part of main audit review.		<ul style="list-style-type: none"> <li>• All areas were re-visited during the audit.</li> <li>• 12 recommendations were made in total</li> <li>• 1 recommendation has been implemented in part, 7 have been fully implemented and 4 have not been implemented.</li> </ul>	All recommendations should be implemented in a timely manner.	Significant

**Note:** Unimplemented recommendations from the 2002/03 follow have been restated in this report and are denoted by an (\*) in the Management Action Plan

### 5.1 Management Action Plan

Rec. No.	Recommendation	Para. No.	Categorisation	Agreed	Management Comments	Officer Responsible	Date to be implemented
1	All Z-reading should be appropriately extracted, signed by two persons and the difference between the Z-reading and banking should be investigated. (*)	4.2.2	Significant	Yes	Training required for all relevant members of staff on Sport and Recreation financial procedures  Updated Document being prepared by Sport and Recreation Management Team	Strategy and Performance Manager	June 2008
2	<p>a) There should be segregation of duties evident between ordering and receiving goods, and authorising payment. (*)</p> <p>b) Purchase orders should be ruled off to prevent further items being included.</p> <p>c) All delivery notes should be checked to ensure that the goods included correspond with the original purchase order and only includes goods that have actually been delivered. This check should be evidenced by the person checking the goods. If there is no delivery note, it should be recorded on the order or invoice that the goods have been received, signed and dated by the recipient.</p> <p>d) Suppliers should be selected from the approved supplier list</p> <p>e) Meter readings should be checked on receipt of utility bills, to ensure the bill corresponds to the correct usage.</p>	4.4.1	Significant	<p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p>	<p>Training required for all relevant members of staff on Sport and Recreation financial procedures Updated Document being prepared by Sport and Recreation Management Team</p> <p>As Above</p> <p>As Above Up to date suppliers list to be forwarded to every building</p> <p>Meter readings now being sent to Energy Manager to monitor usage etc Meeting to be called to clarify communication processes</p>	<p>Strategy and Performance Manager</p> <p>Strategy and Performance Manager</p> <p>Energy Manager/Finance Strategy and Performance Manager</p>	June 2008

Rec. No.	Recommendation	Para. No.	Categorisation	Agreed	Management Comments	Officer Responsible	Date to be implemented
3	<p>a) All signing in/out forms should be completed in full. (*)</p> <p>b) All timesheets should be verified for accuracy.</p> <p>c) All overtime on timesheets should be reconcilable to the signing in/out sheets</p> <p>d) The harmonisation of differing employment terms and condition should be considered.</p> <p>e) All staff in contact with minors should be CRB checked whether they are new starters or current employees of the Pool.</p>	4.5.1	Significant	<p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p>	<p>Training required for all relevant members of staff on Sport and Recreation financial procedures</p> <p>Agreed to look at individuals/Departments need Current HR policy is not checking existing staff for CRB. Policy in place for new starter</p>	<p>Strategy and Performance Manager</p> <p>HR</p>	June 2008
4	<p>a) All staff should be made aware of the importance of signing in and out to facilitate verification of attendance and to confirm presence in an emergency.</p> <p>b) The inflatable checklists should be completed in full in line with issued guidance.</p>	4.7.1	Significant	<p>Yes</p> <p>Yes</p>	<p>Training required for all relevant members of staff on Sport and Recreation financial procedures</p> <p>As above –Roles and Responsibilities-enforced by Manager</p>	<p>Strategy and Performance Manager</p> <p>Manager</p>	June 2008
5	<p>a) PAR Q forms must be fit for purpose and a full review of the current format is recommended. Consideration should be given to using one standard format to eliminate incorrect forms being used.</p> <p>b) The PAR Q form should be completed in full on all occasions with the appropriate health checks undertaken.</p> <p>c) Procedural guidance should be issued to all staff that complete the PAR Q forms.</p>	4.7.3	Significant		<p>Need to review current PAR-Q form</p> <p>Training required for all relevant members of staff on Sport and Recreation financial procedures Where appropriate</p>	<p>Programme Development Manager/Lifestyle, Manager/No Limits supervisor</p>	June 2008



6	a) Records should be maintained for oil delivery and usage, before and after readings taken from the oil tank gauge and consumption for the period. These readings should be checked against the computer printout provided by the oil company.	4.7.4	Significant	Yes	Training required for all relevant members of staff on Sport and Recreation financial procedures	Strategy and Performance Manager	June 2008
	b) Oil usage comparison checks should be considered to help identify any variances which may be an indicator of equipment malfunction.				Training required for all relevant members of staff on Sport and Recreation financial procedures	Manager	June 2008
	c) The Food Premises Registration form should be completed and returned to the Environmental Health Department in a timely manner.						
7	The water testing forms and checklists should be completed in full in line with issued guidance.	4.7.5	Significant	Yes	Training required for all relevant members of staff on Sport and Recreation financial procedures	Manager	June 2008
8	The keypad on the reception door should be activated and only authorised staff given access to the security keypad number.	4.9.1	Significant	Yes	Manager to restrict access to area	Pool Manager	March 2008
9	Monthly management meetings and Business Reports should be completed in a timely manner	4.1.1	Merits Attention	Yes	Monthly meetings started from Nov 2007 Review documents available Copies held at site and by Programme Development Manager	Pool Manager Programme Development Manager (Line Manager)	Jan 2008
10	a) Float handover records should be completed in full.	4.2.1	Merits Attention	Yes	Training required for all relevant members of staff on Sport and Recreation financial procedures	Strategy and Performance Manager	June 2008
	b) Consideration should be given to using the TMLS report on refunds/voids, this will allow a full review and reconciliation to printed receipts submitted to management. This could be carried out as a random exercise to identify inappropriate refunds and potential staff training.				Currently co-ordinated by Stephen Ransley technical support officer		

11	a) Daily Cash Collection forms should be signed by two persons prior to collection by Securicor and signed on collection by the Head Attendant. b) Entries made on the over / under summary sheets should be checked to ensure they correspond to the calculations made on the Z reading.	4.2.2	Merits Attention	Yes	Training required for all relevant members of staff on Sport and Recreation financial procedures	Strategy and Performance Manager	June 2008
12	Club and party hire charges should be provided to the pool in a timely manner and the charges applied by the pool should reflect the appropriate schedule of rates.	4.3.1	Merits Attention	Yes	Training required for all relevant members of staff on Sport and Recreation financial procedures  Procedures currently being looked at by Senior Management Team	Strategy and Performance Manager  Pool Manager  Strategy and Performance Manager	June 2008
13	a) Care should be taken to ensure that Income forms are signed by both parties present, and the form completed in full. b) A manual receipt book should be held to record all income received when till failure occurs (*)	4.3.2	Merits Attention	Yes	Training required for all relevant members of staff on Sport and Recreation financial procedures	Strategy and Performance Manager	June 2008
14	a) All invoices should be stamped on receipt b) Correct up to date prices should be used on orders c) Where discount is available for early payment, every effort should be made to ensure that these conditions are met.	4.4.1	Merits Attention	Yes	Training required for all relevant members of staff on Sport and Recreation financial procedures	Strategy and Performance Manager	June 2008
15	a) The Pool Manager should consider maintaining a spreadsheet detailing qualifications and expiry or renewal dates of all staff b) All staff qualification certificates should be held on staff personnel file	4.5.1	Merits Attention	Yes	Records need to be updated and held on site	Strategy and Performance Manager	June 2008
16	Oil usage comparison checks should be considered to help identify any equipment malfunction.	4.7.1	Merits Attention	Yes	As above	Strategy and Performance Manager	June 2008

17	a) The Vending Stock Control form should be amended to incorporate the a dual signature process each time the machines are replenished	4.8.1	Merits Attention	Yes	Training required for all relevant members of staff on Sport and Recreation financial procedures-Vending	Strategy and Performance Manager	June 2008
	b) A consistent approach to the ordering of stock should be considered and items should be chosen based on saleability and not personal preference.			Yes	Training required for all relevant members of staff on Sport and Recreation financial procedures-Vending operation	Strategy and Performance Manager	June 2008
	c) Use by dates should be reviewed when receiving goods to ensure that goods are not out of date and have a sufficient shelf life. d) When new items for resale are considered the Pool Manage should consider requesting a trail sample from the supplier before a large purchase is made.			Yes	Training required for all relevant members of staff on Sport and Recreation financial procedures		
18	a) The possibility of a 'time out' system being introduced to TMLS should be considered and users should log out of the computer system when not in use.	4.9.1	Merits Attention	Yes	Pool Manager to investigate procedure currently in operation at BRC	Pool Manager	June 2008
	b) Consideration should be given to periodic lists of current staff being made available to the Facilities Co-ordinator by the Centre Manager, in order for a reconciliation between staff active on the TMLS system and current staffing lists can be completed. This would identify any leavers of the Centre to be inactivated on the TMLS system.			Yes	Currently co-ordinated by the Technical Support Officer-Manager to link with him	Pool Manager/Tech nical Support Officer	
19	a) An inventory should be maintained which should include a description, reference number, it's location and condition..	4.9.2	Merits Attention	Yes	Manager to update on a more frequent basis	Pool Manager	June 2008
	b) Consideration of updating the inventory on a perpetual basis, i.e. at the time of additions/disposals rather than annually.			Yes	2 people to sign updated document off	Pool Manager	
	c) An annual verification exercise should then be carried out which should be verified Consider verification of the inventory by a second person, with a copy being signed and dated						

### **Note**

The imminent appointment of a Quality and Performance coordinator will ensure that standards and procedures are adhered to.

With this in mind a re focus and training of the various Sport and Recreation Policies and Procedures needs to be implemented at the pool

This post will be the main driver in ensuring all standards are met within the Sport and Recreation Department and hopefully will be in place by May 2008

This post will report to the Strategy and Performance Manager - for the Department

As the Department is already 2 members of the Senior Management Team (50%) short this post is seen to be vital in the “quality processes “ required

The Training of the staff will be undertaken - in part - at their weekly staff training meetings

This will be programmed and signed off accordingly.

The Department is waiting for the updated version of its various policies currently being reviewed by Sport and Recreation Management Team

This Updated version will be the basis of the training where required for the entire department.

All the above issues will have to be cross-referenced to ensure they are contained in the new procedure document

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