

DEPARTMENT <b>Communities</b>	AUDIT REVIEW <b>Llanelli Leisure Centre</b>	AUDIT REF <b>5117018</b>
<p><b>BACKGROUND</b></p> <p>Llanelli Leisure Centre offers a wide range of sporting and social activities for the community. Income, which is collected and accounted for by staff at the centre, is mainly generated through charging for these activities. The net approved budget is approximately £553k.</p> <p><b>SCOPE</b></p> <p>A review of Llanelli Leisure Centre was undertaken to ensure that:</p> <ul style="list-style-type: none"> <li>➤ Recommendations in the previous report had been actioned;</li> <li>➤ Expenditure is undertaken in compliance with Financial Procedure Rules;</li> <li>➤ All relevant staff have appropriate Disclosure and Barring Service (DBS) checks;</li> <li>➤ The Direct Debit scheme is adequately administered;</li> <li>➤ Memberships have appropriate supporting documentation; and</li> <li>➤ Till income is properly accounted for.</li> </ul> <p><b>SUMMARY OF RESULTS</b></p> <p>In line with the scope, the results of audit testing were as follows:</p> <p><b>Previous Report Recommendations</b></p> <p>Till Income:</p> <p>Staff training had been undertaken for income recording/reconciliation, resulting in improvements in record keeping in these areas; from the sample testing undertaken, it is pleasing to report that no issues were identified relating to record keeping/income reconciliations.</p> <p>Not all till operators, however, had spot checks undertaken in the previous 12 months as required by the Authority's Financial Procedure Rules.</p> <p>Vending Machines:</p> <p>The emptying of machines is now included on the Duty Supervisor's Calendar, ensuring regular collection of monies. Internal Audit reviewed the records of one vending machine and found them to be satisfactory.</p> <p>Stock:</p> <p>Internal Audit did not undertake a follow-up review of stock control procedures during the 2017/18 audit, due to the agreed action target date not having been met at the time audit work was undertaken. This area will be considered by Internal Audit during the 2018/19 review. The Leisure Centre Manager has since advised Internal Audit that a new management system has been developed to record stock product levels and movements.</p>		

#### Swimming Lessons:

Internal Audit did not undertake a follow-up review of swimming lesson procedures during the 2017/18 audit, due to the agreed action target date not having been met at the time audit work was undertaken. This area will be considered by Internal Audit during the 2018/19 review.

#### Bookings:

At the time of the audit, booking procedures were in the process of being revised, with additional controls being introduced. This area will be considered by Internal Audit during the 2018/19 review.

#### Spot Checks on Facilities:

Sample testing on the record of spot checks undertaken identified no issues.

#### Inventory:

Internal Audit did not undertake a follow-up review of inventory procedures during the 2017/18 audit, due to the agreed action target date not having been met at the time audit work was undertaken. This area will be considered by Internal Audit during the 2018/19 review.

#### Petty Cash:

Review of petty cash procedures identified no issues.

#### Staffing:

Audit testing on a sample of timesheets identified the following issues:

- Some members of staff are submitting timesheets and the authorising officer is a close family member, resulting in a lack of independence.
- Instances where employees were working in excess of 6 hours without taking a break as required by European Legislation.
- Instances of arithmetic errors on timesheets which had been authorised and processed for payment.
- Instances whereby rotas were not always consistent with the overtime / payment claims made. It is acknowledged that rotas alter, however, there is not always a record kept of the alterations made in order that an assurance can be given that claims made are consistent with the hours actually worked by employees.

Internal Audit have since been advised by the Management Team that paper timesheets are no longer in place, with *Resource Link* instead being utilised. Workflows within *Resource Link* will ensure independence. This area will be considered further by Internal Audit during the 2018/19 review.

#### **Expenditure**

It is pleasing to note that testing on a sample of transactions identified that expenditure was in compliance with Financial Procedure Rules.

**DBS Checks**

Testing identified one issue where an employee, whose post required a DBS check, had not received the required check.

**Memberships and Direct Debit Scheme**

Audit testing on a sample of Leisure Centre Members identified that direct debit payments were appropriately collected, as expected.

**Till Income**

Please refer to the above point on Till Income.

From the 2016/17 review, two areas of concern remained outstanding at the time of the 2017/18 audit, namely:

- Timesheet issues; and
- Spot checks on tills.

These issues, along with two further issues, reported in the 2017/18 report are detailed in the table on the following page. The relevant officers have agreed the noted actions to address the findings and recommendations. These actions will be followed up by Internal Audit during the forthcoming 2018/19 audit.

	Summary of Issues	Agreed Actions/Comments
1	One employee did not have a Disclosure and Barring Service (DBS) check, which their post required.	Liaise with HR to determine what staff require DBS and review staff portfolio to assess any outstanding actions. Review in progress. Actions being undertaken.
2	Audit testing on a sample of swimming instructors identified that none had evidence of having all the relevant 'essential' qualification criteria as set out in the Job Profile on commencement of employment.	This is currently being reviewed across Sport & Leisure to adopt relevant recommendations. Countywide review in progress. Volunteer posts now in place with appropriate documentation and processes. Level 1/Level 2 elements under review.
3	<p>Testing of 20 processed timesheets identified the following issues:</p> <ul style="list-style-type: none"> <li>• Some members of staff are submitting timesheets and the authorising officer for them is a close family member, resulting in a lack of independence.</li> <li>• Instances where employees were working in excess of 6 hours without taking a break as required by European Legislation.</li> <li>• Instances of arithmetic errors on timesheets which had been authorised and processed for payment.</li> <li>• Instances whereby rotas were not always consistent with the overtime / payment claims made. It is acknowledged that rotas alter, however, there is not always a record kept of the alterations made in order that an assurance can be given that claims made are consistent with the hours actually worked by employees.</li> </ul>	<p>Timesheets no longer in operation, all submissions via Resource Link. Any family relations is managed via delegated officer (Budget Manager). Resourcelink flow amended to remove spouse's involvement in approval. All other processes being amended to ensure risk removed.</p> <p>Active Facilities Manager will reiterate employment protocol with authorising officers to ensure management of staff working time; 30 minute breaks to be taken where appropriate. Resource Link allows robust regulation of submissions.</p> <p>Reiterated – robust enforcement and monitoring of inclusion of relevant breaks and accuracy of detail submitted on timesheets.</p> <p>Adjustment to rota structure allows easy amendment and recording of changes, these changes are cross referenced against 'clocking-in cards' and verified before authorisation of payments.</p> <p>Revised, robust process being implemented. Reinforcement training occurring to ensure system being applied effectively.</p>
4	Not all till operators, including casual staff, have had spot checks undertaken in the previous 12 months as required by the Authority's Financial Procedure Rules.	Throughout a 12 month period (financial year), scheduled checks will occur on all designated contracted/casual staff who work on rota within the reception area. Detailed monitoring system in place for all contracted and casual staff unannounced cash-ups – in progress this year to ensure all conducted.