

| DEPARTMENT | AUDIT REVIEW | AUDIT REF |
|--------------------|---------------------------|----------------|
| Communities | Pembrey Ski Centre | 8320002 |

BACKGROUND

Carmarthenshire County Council provides a wide range of countryside recreation facilities including Pembrey Country Park and the Ski Centre. These facilities generate significant levels of income, from a range of activities, to the Authority.

Pembrey Country Park is one of the most visited outdoor attractions in Wales. Integral to the success of the Country Park is the Ski Centre, which includes the ski slope, the toboggan run, a bicycle hire point and a café.

SCOPE

The objective of the review was to ascertain whether the issues raised during the 2018/19 audit review of the Ski Centre have been appropriately addressed.

The following areas were considered during the 2018/19 review:

- Previously agreed recommendations have been implemented;
- Income due has been collected in full, promptly banked and is accurately accounted for in accordance with the requirements of Financial Procedure Rules;
- Adequate arrangements exist for the procurement of goods and services;
- Adequate arrangements exist for the safeguarding of the Authority's assets;
- Sale of shop stock is complete;
- All relevant staff have been subject to a Disclosure and Barring check;
- Staff rotas tally to submitted timesheets.

SUMMARY OF RESULTS

The 2018/19 review of the Ski Centre resulted in a low assurance rating, identifying a number of areas, where improvements were required, relating in the main to:

- Control over till access, income recording and reconciliation, and cash holding.
- Document retention to evidence procurement decisions.

Internal Audit has followed up the actions that were agreed to be implemented by the Service following the 2018/19 review. It is pleasing to report that evidence was provided, and reviewed, to support all the agreed actions having been completed.

It should be noted that onsite testing was not undertaken during this review, due to COVID-19. A full Internal Audit review of the procedures is proposed to be undertaken during the 2021/22 financial year.

The issues identified during the 2018/19 review, the update from the Service as at 20th March 2020 and the Internal Audit Follow-up comments are included in the table on the following page.

Pembrey Ski Centre – Audit Committee Update

| | Summary of Issues | Rating | Agreed Actions/Comments | Updated Actions (Update as at 20.03.2020) | Internal Audit Follow-up 2020/21 |
|---|--|--------|--|--|--|
| 1 | 1 employee does not have a Disclosure and Barring Service (DBS) check which their post requires. | ** | The DBS in question has now been completed and processed. | No Action required | Internal Audit confirmed that the DBS in question had been completed as appropriate. |
| 2 | As identified in the 2017/18 audit, there is inadequate segregation of duties and control over till access. Additionally, only 4 till operators have had unannounced cash ups since April 2018. | ** | New Till system to be installed in the Park on 15th June 2019 where each operator will have a swipe card to access till. There is a plan in place to undertake cash ups of all the team by Managers | 11/9/2019 - All agreed actions have been implemented. 1/3/2020 - New till system have spot checks of cash ups. Key to this is that swipe cards are only used when that individual is on shift. | Internal Audit confirmed that the new till system is now in place and that all staff members have individual swipe cards. Evidence of unannounced cash-ups was reviewed by Internal Audit. Cash ups are performed by the Business Support Unit, thus ensuring segregation of duties is maintained in the process, as per Financial Procedure Rules. |
| 3 | 20 income transactions were selected for review. The following issues were identified: <ul style="list-style-type: none"> • 2 instances where Income Reconciliation Forms (IRF) not completed; • 12 refunds identified, but only 1 detailed on the back of the IRF (refunds appear to be mainly return of golf deposits and till under/over adjustments); • 4 instances of overs/unders exceeding £2, but only 1 was detailed on the back of the IRF; • Only 1 Z-reading was filed; • 1 error identified on the Daily Income form; • 4 Weekly Income Forms not properly completed; | ** | Training will be provided to all staff on site. There will also be a review of all financial procedures in line with Pembrey Country Park's procedures. | Training was implemented immediately after Audit. BSU Team Leader and Commercial and Facility Manager revised procedure and changes to financial procedures. 1/3/2020 Financial procedures have now been added to Outdoor Recreation version so that all sites are following the same processes. Spot checks in place to ensure all processes are being followed | Discussions with the Commercial and Facilities Manager confirmed that all staff have been provided with training on Financial Procedure Rules following the previous Audit review. Internal Audit were provided with evidence of the training. |

Internal Audit Follow-Up Report - Pembrey Ski Centre

| | | | | | |
|---|---|----|---|---|--|
| | <ul style="list-style-type: none"> • 2 Float in/out forms not completed; • 1 error on the Income recording (safe in/out form). | | | | |
| 4 | <p>Whilst cash collection is usually undertaken on a suitably frequent basis, testing identified two occasions where three weeks' cash was collected together.</p> <p>Internal Audit also noted that weekly takings during August 2018 exceeded the insurance threshold value.</p> | ** | <p>New safe and income collection arrangements have been introduced to address these issues.</p> | <p>11/9/2019 Income collection issues have been addressed as part of the training detailed above.</p> <p>1/3/2020 Bank holiday pick-ups have been arranged for different days to ensure insurance threshold is addressed.</p> | <p>Discussions with the Commercial and Facilities Manager confirmed that all staff have been provided with training on Financial Procedure Rules following the previous Audit review. Training presentation slides confirmed that income collection issues were covered.</p> |
| 5 | <p>There is inadequate evidence of the procurement decision making process, when approved suppliers have not been used.</p> | * | <p>Procurement spreadsheet has been set up similar to the document within the Country Park procedures, which will rectify this issue in future.</p> | <p>11/9/2019 Database has been set up and no purchases to be made without these processes being followed.</p> <p>1/3/2020 Procurement process is used for all purchases and documented in database.</p> | <p>Internal Audit reviewed the Procurement database that is now maintained by the Ski Centre Management Team; it is pleasing to note that the document was thorough and detailed the information expected.</p> |
| 6 | <p>At the time of the audit, no invoice had been raised in respect of a booking for Ski Slope hire in August 2018, which had a net value of £1,200. Adequate income monitoring would have identified this omission.</p> <p>Of the remaining 9 credit invoices selected for testing, only 3 were invoiced within 10 days of incurring the debt, as per the requirement of Financial Procedure Rules.</p> | ** | <p>The Booking system has been reviewed and diary markers put in place for raising of invoicing within the set time frame.</p> | <p>11/9/2019 Part of weekly processes is now to raise any invoices and the Commercial and Facility Manager checks diary for double checking income has been collected.</p> <p>1/3/2020 Income monitoring is undertaken regularly to check all income is collected. The monitoring takes place as part of the weekly financial checks and invoices are raised as part of this.</p> | <p>Internal Audit reviewed evidence of the diary markers now in place to raise invoices in a timely and appropriate manner. Evidence of the monitoring of income was also reviewed.</p> |
| 7 | <p>Rates charged for Adaptive Club and Slope Hire are not included in the Charging Digest.</p> <p>(The Adaptive Club rate is pre entered onto the system by the Central Admin</p> | * | <p>The Charging Digest is being updated to include this, with an SLA also being set up to confirm partnership working arrangements.</p> | <p>11/9/2019 Meetings have been undertaken to confirm points in the SLA, fees and charges are in draft version to be approved.</p> | <p>Internal Audit reviewed the SLA and found it to be satisfactory.</p> |

Internal Audit Follow-Up Report - Pembrey Ski Centre

| | | | | | |
|---|---|---|---|--|--|
| | Team and cannot be amended by Centre staff). No evidence has been provided to confirm authorisation of these additional rates. | | | 1/3/2020 SLA been completed but all charges are now part of the Charging Digest documents. | |
| 8 | Minor discrepancies were identified during verification of the inventory of assets for hire. Internal Audit were advised these were due to human error. | * | Training and checking of asset list being reviewed and will be implemented. | 11/9/2019 Spot checks are now undertaken as well as checks by the Ski and Activity Centre team. 1/3/2020 Asset checks have taken place already this year. | It is pleasing to note that a full asset list and stock register is now maintained. Documents were reviewed to evidence asset checks having been undertaken. |