



Committee and Date

Audit Committee

22 March 2012

10.00 am

Item

7

Public

Update on the actions taken following the Leisure Centre audits 2011-12.

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1. Summary

This report describes the progress being made in response to audits carried out at Shropshire Council leisure facilities and the previous report presented at Audit Committee on 20 September 2011. Original audits of three centres in Shrewsbury highlighted a number of internal control issues. In response new comprehensive 'Leisure Facilities Financial Procedures and Guidelines' were completed and rolled out at all leisure centres. Work is continuing to fully implement them and this is supported by a programme of staff training and regular review.

2. Recommendations

The Audit Committee are asked to consider and endorse, with appropriate comment, the continued positive progress being made by leisure staff in response to the audits previously carried out at the three leisure centres.

REPORT

3. Risk Assessment and Opportunities Appraisal

The main risk to the Council of not fully actioning the recommendations included within the audits is financial. An absence of proper procedures and implementing recommendations also raises questions of accountability and transparency and leaves the business open to accusations of poor financial and asset management at best, and dishonesty at worst.

4. Financial Implications

The cost for developing and implementing the Financial Procedures and Guidelines and undertaking pre-audit site assessments has been met from approved budgets.

5. Background

In 2010 the Audit Service undertook audits at The Quarry Swimming and Fitness Centre, Shrewsbury Sports Village and Meole Brace Golf Club. The assurance levels resulting were 'unsatisfactory' for both The Quarry and Sports Village, and 'limited' for Meole Brace Golf Club.

A number of common themes were identified through recommendations which were summarised by the Audit Service into groups. These groups were then ordered into priorities, with the overarching priority being the introduction of new Written Procedures, which could be rolled out across all leisure establishments.

In response to the audit recommendations a working group was established including Leisure Area Managers, Senior Duty Officers and Administrative Staff from all areas in the County together with finance support (Leisure Administration Task Group). The priority of the group was to produce financial procedures and guidelines which would address the recommendations made by audit, and could be rolled out to all leisure facilities in the County.

The group finalised the 'Leisure Facilities Financial Procedures and Guidelines', which were officially implemented in all Shropshire Council Leisure Facilities from 1st June 2011. The document includes guidelines on:

- Budget Monitoring
- Bank Accounts
- Financial Records
- Data Security
- Purchasing
- VAT
- Income and Banking
- Asset Management
- Payroll Procedures
- Insurance
- Memberships
- Bookings and Cancellations.

Also included were a number of generic forms and templates which can be used at all leisure facilities.

Between November 2011 and February 2012 the Audit Service conducted follow up audits at the three Shrewsbury sites mentioned above and additional sites across Shropshire. Prior to these audits Jacqui Allford (Leisure Facilities Manager – North) and Margaret Quigley (Admin Officer – Central) visited all sites to undertake pre-audit assessments and assist with further training and implementation of the new procedures.

Results from the audits are extremely positive, with individual site results as follows:

Quarry Swimming & Fitness Centre	Reasonable
Shrewsbury Sports Village	Reasonable
London Road Sports Centre	Good
Bridgnorth Leisure Centre	Good
Market Drayton Swimming Centre	Good
Oswestry Leisure Centre	Good
Meole Brace Golf Course	Reasonable
Thomas Adams Sports Centre, Wem	awaiting result

These results show significant improvement at the three Shrewsbury sites, most particularly The Quarry and Sports Village. For information there are four levels of audit assurance – Good, Reasonable, Limited and Unsatisfactory.

When all audit reports are completed and received a follow up meeting of the Leisure Administration Task Group will take place. Report comments and recommendations from all site audits, along with those gathered from individual sites, will be taken into consideration and the 'Leisure Facilities Procedures & Guidelines' reviewed and updated accordingly.

List of Background Papers (This MUST be completed for all reports, but does not include items containing exempt or confidential information)

'Leisure Facilities Financial Procedures and Guidelines', 2011
Report to Audit Committee November 2011

Cabinet Member (Portfolio Holder)

Keith Barrow, Leader of the Council and Brian Williams, Chairman of the Audit Committee, Steve Charmley Portfolio Holder for active and healthy lifestyles

Local Member

All

Appendices

None