
REPORT TO:	ETWALL LEISURE CENTRE JOINT MANAGEMENT COMMITTEE	AGENDA ITEM:
DATE OF MEETING:	11th OCTOBER 2010	CATEGORY: RECOMMENDED
REPORT FROM:	DIRECTOR OF CORPORATE SERVICES	OPEN
MEMBERS' CONTACT POINT:	KEVIN STACKHOUSE (595811)	DOC: u/ks/Etwalljmc/audit report Oct 2010
SUBJECT:	New Etwall Leisure Centre - Assessment of Internal Control: Report of the Internal Audit Manager	
WARD(S) AFFECTED:	ETWALL, HATTON, HILTON, NORTH WEST, REPTON & WILLINGTON	

1.0 Recommendations

1.1 That the report of the Internal Audit Manager is considered and that any outstanding actions are approved for implementation.

2.0 Purpose of Report

2.1 To report the work of the District Council's Internal Audit function on the control and procedural arrangements operating in the new facility.

3.0 Detail

3.1 In accordance with the Council's approved audit plan, an audit is undertaken on the financial administration and other control aspects of the Centre on an annual basis. This is required as part of the Responsible Finance Officer's Section 151 requirements and that of Treasurer to the Joint Management Committee.

3.2 Past audits have been "light touch" as the previous swimming pool facility was well established and operated with sufficient controls. Clearly, the opening of the new Centre came with the need to re-assess financial administration and controls to safeguard good overall management arrangements in an extended facility.

3.3 Operationally this has seen a change in both the scale and complexity of both the administrative and financial control requirements. New computer systems have been implemented to manage bookings and payments along with software to control the environmental aspects of the centre.

- 3.4 Initially problems were experienced with the payment system and banking requirements. Internal Audit along with Accountancy and Income Management staff undertook work on these areas and supported their implementation.
- 3.5 Once the new facility became more established, Internal Audit undertook a full system review of the Centre beyond the annual probity audit. This was to determine the level of internal control operating within the new facility.
- 3.6 An audit report has been produced and has been discussed with centre management. The report as issued is detailed at **Appendix 1**.
- 3.7 The report details several findings and issues which led to various recommendations being made to ensure adequate control arrangements exist.
- 3.8 Most of these issues were cleared at the time of the audit or shortly afterwards. There are still some aspects to be fully resolved and an update will be provided at the meeting as work is on-going.
- 3.9 Although there are no major risks perceived at this stage, the outstanding recommendations should be fully considered to ensure that cash and banking arrangements in particular are tightened.