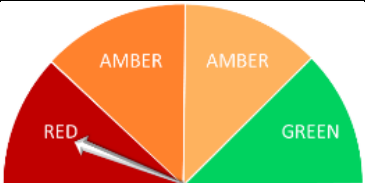


Management of Community and Recreation Assets – Chief Executive - 05-2023/24 – Final Report – November 2024

Assurance Opinion:	Number of Actions		Risks Reviewed as Identified in Scope
 <p>Limited Assurance – Urgent process revision required (one of more of the following)</p> <ul style="list-style-type: none"> • Key controls are absent or rarely applied. • Evidence of (or the potential for) significant financial/other losses • Key management information does not exist. • System/process objectives are not being met or are being met at a significant and unnecessary cost or use of resources. <p>Conclusion: a lack of adequate or effective controls</p>	Priority	Number	<p>Risk 1: The asset information is incomplete or not updated or missing from the Tech Forge (TF) asset management system.</p> <p>Risk 2: The roles and responsibilities for the management of the Community and Recreation assets have not been defined, are not clear, are not consistent or being adhered to.</p> <p>Risk 3: A programme of inspection is not in place either by S&T to ensure quality of the Community and Recreation assets grounds or by V&E to deliver statutory inspections to buildings.</p> <p>Risk 4: Income relating to the management of Community and Recreation is not received where expected.</p>
	High (Red)	3	
	Medium (Amber)	2	
	Low (Green)	0	
	Total	5	

Audit Background

The Council has a range of assets, following the transfer of the Open Spaces team to Aura Leisure & Libraries in 2017, which are now managed either by Valuation & Estates (V&E) or Streetscene and Transportation (S&T) Services. These are referred to as Community and Recreation for the purposes of this review and include playing/sport fields, bowling greens and associated buildings including changing rooms, pavilions. These are not to be confused with the Community and Recreation under Aura’s management and control. The Council has access to Tech Forge (TF) to record its assets.

The review focussed on the effectiveness of the controls in place to manage these assets. Dependent on any existing agreement (lease, licence, management agreement, other agreement) for the asset, we evaluated the controls in place to ensure compliance with any maintenance, statutory and landlord checks; in particular any inspection regime to mitigate against relevant health & safety risks, and oversight of income processes. The review assessed whether the split of responsibilities amongst the V&E and S&T teams is effective. Value for money was not part of the scope of this audit. However, we did test to see that fees being charged were being received.

Areas Managed Well

- The booking process for football playing fields is well managed.
- Where there is a known payment for an asset managed by V&E this is recorded in TF and reconciled monthly with Finance.

Management of Community and Recreation Assets – Chief Executive - 05-2023/24 – Final Report – November 2024

Findings and Implications	Agreed Action	Who	When
<p>1 (R) Statutory Health and Safety (H&S) Checks</p> <p><u>Expected Controls</u></p> <ul style="list-style-type: none"> Assets belonging to the Council are subject to statutory health and safety (H&S) checks. There is a process in place to ensure all H&S checks are completed with the results recorded centrally enabling any issues raised to be actioned. Risks associated with the failure to complete statutory checks are recorded on the register, scored and mitigation statements completed. In the case of the Council transferring the liability via a lease / management agreement the club contracted with is clear of their responsibility to ensure the statutory checks are completed and provide evidence to the Council of compliance. <p><u>Findings</u></p> <ul style="list-style-type: none"> The Corporate risk register (InPhase) lists risk RCPA06 'Limited / no resource available to fulfil statutory landlord requirements / testing schedule. Risk of liability and risk to life'. This was last assessed (October 2023) having a score of 20, making it a major risk to the Council. There are two mitigations included with this risk which are future aspirational intentions rather than actual operating controls to mitigate the risk: - <ul style="list-style-type: none"> New building inspector role being explored. Working with other services/Portfolios to explore options to work collaboratively to fulfil... (the sentence ends there on the InPhase system) 	<p>URN 3580</p> <ul style="list-style-type: none"> A multi-disciplinary task and finish group has been established, with its first meetings 17th July 2024. Damian Hughes will chair the group. An action plan to address the risks raised in the audit has been developed and will be overseen until completion. <p>The task and finish group will focus on: -</p> <ul style="list-style-type: none"> Statutory H&S compliance Contract management. Ensuring all relevant Asset information is recorded on Technology Forge (TF) Resolving cross portfolio working recommendation <p>Matters that have already progressed are, as follows:</p> <ul style="list-style-type: none"> An inspection regime of remote unoccupied buildings is now in place and managed through the Valuation and Estates team and will be recorded on Technology Forge (TF). (Lisa McLellan – complete) There is now a statutory maintenance regime in place and will be recorded on Technology Forge (TF) the Council's assets Management database. (Rod Taylor – complete) <p>Items to be included on the action plan:</p> <ul style="list-style-type: none"> Streetscene to review & develop a public open space inspection process. (Barry Wilkinson 31/12/24) 	<p>Damian</p>	<p>31/12/2024</p>

Management of Community and Recreation Assets – Chief Executive - 05-2023/24 – Final Report – November 2024

Findings and Implications	Agreed Action	Who	When
<ul style="list-style-type: none"> • V&E have contracted with housing (HCA) to deliver legionella checks. Testing identified, of the 62 known Community and Recreation with a building only 14 (22%) are being tested by HCA. • TF does not record evidence these checks were being carried out. • There are other statutory landlord checks, for example periodic gas safety, building electrical safety and structure checks; HCA report they have not been asked to complete any of these checks. • In response to the pandemic the physical inspection of the buildings by V&E stopped and a letter and response process was used. This has continued post pandemic. Council Community and Recreation are not being inspected for damage or deterioration. • The lease and management agreements have clauses for who is responsible for building upkeep internally and externally. However, no evidence provided to show there was a process to record the responses from clubs as to the soundness of the building and if they had complied with their lease / management agreements (if there is one in place). • There is no evidence to show how the Council responds to any reports of failure on the part of the club to maintain the building to a reasonable standard. • TF has a section for the recording of works done and when they are meant to be checked/renewed, this is not being used. <p><u>Risks Identified</u></p> <ul style="list-style-type: none"> • Failure to accurately assess, record, score and mitigate risks can result in objectives not being achieved. • The Council is unable to evidence that all the statutory H&S checks on leisure buildings remaining under Council control have taken place. 	<ul style="list-style-type: none"> • Streetscene to review Pitch hire process with the contact centre. (Barry Wilkinson 31/12/24) • A review of where individual assets sit will also be undertaken from an efficiency perspective. (Lisa McLellan 31/12/24) • The audit report and action plan will be presented to the Corporate Resources Overview & Scrutiny Committee (CROSC) at the earliest convenience. (Damian Hughes 12/12/24) 		

Management of Community and Recreation Assets – Chief Executive - 05-2023/24 – Final Report – November 2024

Findings and Implications	Agreed Action	Who	When
<ul style="list-style-type: none"> The Council is unable to evidence that statutory liability has been transferred to the contracted clubs, nor that these checks have been carried out. In the event of member of the public being harmed, the Council and individual staff members could face serious legal consequences, financial loss and severe reputational damage. 			
<p>2 (R) Management Agreements / Leases / Contractual Agreements</p> <p><u>Expected Controls</u></p> <ul style="list-style-type: none"> Standard management agreements / leases / contracts are in place. These are reviewed periodically to ensure the people who signed on behalf of the club are still part of the organisation. Any changes to the clubs' management are noted on TF with emergency contact numbers of key holders kept current. There is a timetable in place to renegotiate contracts as they come to an end. Where no club can be found to take over a building, a review of the asset is completed and if it no longer meets the needs of the community disposal of the asset is assessed. The Council retains a copy of the keys for all assets in a secure place, which can be accessed by a limited but relevant range of officers in the case of need. There is a schedule of asset inspections to ensure lease and agreement holders are maintaining the property and it remains in a good condition. <p><u>Findings</u></p> <ul style="list-style-type: none"> Many of the agreements / leases have come to an end but there is no action plan in place to address. The history notes on TF show in several cases attempts to renegotiate a new lease / agreement, however the notes end with no progress made on an agreement: some three to five years later. 	<p>URN 3574</p> <p>The Action plan will include the following:</p> <ul style="list-style-type: none"> Keyholder information will be reviewed, updated, and logged on TF. Lease and licence agreements will be reviewed by Valuation and Estates team for buildings and land as appropriate. Formal agreement review dates will be added to TF as a trigger to review/renew in a timely manner. As part of this process, we will formally clarify the responsibility and liability for H&S for those assets which are subject to a lease / management agreement including Council's expectation of how to evidence these checks have been completed. A process will be put in place around control and non-compliance. (i.e. agreement to use, duties under any agreement and or payment of bills) 	Lisa McLellan	31/03/2025

Management of Community and Recreation Assets – Chief Executive - 05-2023/24 – Final Report – November 2024

Findings and Implications	Agreed Action	Who	When
<ul style="list-style-type: none"> • V&E state they do not know who the key holder is for every building, nor does Council retain a copy of the key to every leisure asset building. • Management advises due to low level of income, even if a club has stopped paying the Council, and continue to use the building, there is no real push to chase the payments or renew the lease / agreement. This can have implications on responsibilities for building maintenance and other contractual obligations. • Due to lack of resource, V&E switched from physical inspections to sending letters to the club trustees asking them to confirm they had complied with the agreement to maintain the interior of the property and the décor was in good order. TF does not record any responses to evidence the letters has been replied to. • No evidence was provided to show the process for dealing with a club who does not respond to the letter. No evidence was provided to show the process for dealing with any issues reported by clubs. • There is no process in place for ending access to a council asset if a club fails to pay the agreed fees. <p><u>Risks Identified</u></p> <ul style="list-style-type: none"> • The Council does not have key access to all assets under its control. Nor do we have a list of all key holders. This would be a cost to the Council in the event of needing to access the building. • The lack of up-to-date management agreements / leases means lack of clarity around responsibility and liability for H&S. Failure to renew or update agreements risks legal questions over insurance and damage to fixture and fittings. • There is a risk the clubs who continue to use the asset once a contract has lapsed will fail to carry out the maintenance 			

Management of Community and Recreation Assets – Chief Executive - 05-2023/24 – Final Report – November 2024

Findings and Implications	Agreed Action	Who	When
<p>required by the agreement. This could lead to the asset falling into a state of disrepair, which will require costly remedial actions by the Council.</p> <ul style="list-style-type: none"> The Council does not know the true condition of its Community and Recreation . Buildings could be falling into a state of disrepair and will become more costly to bring up to a reasonable standard. The Council could also be overstating the value of an asset due to unknown/unactioned disrepair. 			
<p>3 (R) Tech Forge System and Asset Data</p> <p><u>Expected Controls</u></p> <ul style="list-style-type: none"> All Community and Recreation should be recorded on the TF system and contact / details are accurate. Unique Reference Numbers should be used to ensure assets are not duplicated. The asset management system is used to record maintenance, statutory and landlord checks. All officers with asset management responsibility have access to TF and can update with work done. <p><u>Findings</u></p> <ul style="list-style-type: none"> We are unable to provide assurance that all Community and Recreation are recorded in TF. The list of provided by S&T could not be reconciled with the list generated from TF by V&E. (circa 67 bowling greens, cricket pavilions, tennis clubs and playing fields with changing facilities) There is a failure to use a URNs; relying rather on street or club names which were found to be different on each list and risk duplication/inconsistency. (Detailed testing results can be provided) A previous review of TF highlighted the requirement for a single URN which could be used across systems and services. 	<p>URN 3575</p> <ul style="list-style-type: none"> An action plan to address the risks raised in the audit has been developed and will be overseen by the task and finish group until completion. Members of the task & finish group will reconcile asset management information, to ensure its accuracy. Thereafter a process will be put in place to capture any asset changes in the future. (Lisa McLellan 31/12/24) The Action Plan will include measures to integrate TF between to two portfolios and to utilise the system to ensure efficiencies of work stream (where practicable) (Lisa McLellan / Barry Wilkinson 31/12/24) The audit report and action plan will be presented to the Corporate Resources Overview & Scrutiny Committee at the earliest convenience. (Damian Hughes 12/12/24) 	<p>Damian Hughes</p>	<p>31/12/2024</p>

Management of Community and Recreation Assets – Chief Executive - 05-2023/24 – Final Report – November 2024

Findings and Implications	Agreed Action	Who	When
<ul style="list-style-type: none"> Officers in S&T with asset management responsibility do not have access to TF, instead they manage all their Community and Recreation on multiple spreadsheets. <p><u>Risks Identified</u></p> <ul style="list-style-type: none"> The TF system is not being used to its full potential. The silo nature of the current arrangement is a barrier to good communications and effective multi-service partnership. Without consistency of names, locations and recording, there is a risk assets have been missed and are not included in TF. It could result in failure of effective management of assets. There is a risk works are not completed or statutory checks cannot be evidenced in case of external audit by HSE. This could result in legal censure and the possibility financial penalty. 			
<p>4 (A) Roles and Responsibility</p> <p><u>Expected Controls</u></p> <ul style="list-style-type: none"> There is a clearly defined statement of areas of responsibility for the Community and Recreation remaining under Council control. The name(s) of the officer(s) responsible for an asset is recorded on TF and known to the other portfolios. There is a clear and easy to understand process for the booking and use of the facilities. <p><u>Findings</u></p> <ul style="list-style-type: none"> It is unclear how responsibility is shared between various teams and portfolios. An asset can be managed by V&E and S&T or both. An oversight on the process of management is not established. 	<p>URN 3584</p> <ul style="list-style-type: none"> An action plan to address the risks raised in the audit has been developed and will be overseen by the task and finish group until completion. Roles and responsibilities between portfolios for all LA retained Community and Recreation will be defined. TF will be updated accordingly with this information. (Lisa McLellan /Barry Wilkinson 31/12/24) The Task and Finish group will review the process of booking with the view to creating a one stop solution for hirers. (where practicable) (Lisa McLellan /Barry Wilkinson 31/12/24) 	Damian Hughes	31/12/2024

Management of Community and Recreation Assets – Chief Executive - 05-2023/24 – Final Report – November 2024

Findings and Implications	Agreed Action	Who	When
<ul style="list-style-type: none"> There is confusion over who is responsible for play equipment. When asked one team member in V&E said HCA and another in S&T said Aura. TF does not clarify this issue. There is a section in TF for a responsible officer(s) name to be added. In the case of assets managed by S&T, the named officers all left the Council more than 5 years ago. In the case of assets under V&E management, the named officer is mainly the Asset Manager, but also one or other of her team. There is no clear explanation of what the role of the named asset manager is. S&T carry out the maintenance and booking process of the playing fields, however their process does not include access to the changing rooms which are under the responsibility of V&E; this is ineffective use of resource and complicated for the user. <p><u>Risks Identified</u></p> <ul style="list-style-type: none"> There is a risk, unless all those managing a shared asset are aware of their own roles and responsibilities and those of the other services involved, necessary jobs may be missed or duplicated. There is risk the confusion over the booking of the changing facilities may stop a team booking a pitch and raising complaints over the condition of the asset. 			
<p>5 (A) Income Management</p> <p>Value for money was not part of the scope of this audit. However, we did test to see that fees being charged were being received.</p> <p><u>Expected Controls</u></p> <ul style="list-style-type: none"> Assets which attract a charge or rental have payments recorded in TF and are reconciled monthly. 	<p>URN 3712</p> <p>An action plan to address the risks raised in the audit has been developed and will be overseen by the task and finish group until completion</p> <p>As these are community-based organisations managed in the main by volunteers it will be extremely difficult to</p>	<p>Damian Hughes</p>	<p>31/03/2025</p>

Management of Community and Recreation Assets – Chief Executive - 05-2023/24 – Final Report – November 2024

Findings and Implications	Agreed Action	Who	When
<ul style="list-style-type: none"> Missed payments are noted and chased through the Council's normal income recovery process. Continued missed payments results in the loss of use of facilities. <p><u>Findings</u></p> <ul style="list-style-type: none"> Not all assets in TF have charges / fees recorded. Where the asset is managed by S&T a separate system for charging is in place. A test on bowling club buildings found those with a lease/management agreement (even if in several cases that contract had lapsed) had payments logged in TF. This was checked monthly with finance. If a club does not pay their fee, no action was taken to pursue nor was access to the asset restricted. A similar test was carried out on football pitches. S&T have a booking process with recording of invoices paid/not paid. These payments are being coded to multiple detail codes on the ledger, (5611, 9271, 9273) making it difficult to reconcile payments. <p><u>Risks Identified</u></p> <ul style="list-style-type: none"> The sums being charged are very small and there is a risk that more resource is being used to invoice/receipt and reconcile fees than is being earned. It should be noted these assets are public spaces and it is difficult to restrict access, however this is inconsistent with having a booking and charging system. Whilst a booking process will aid the community to ensure all have a share of the use of the asset, the cost to the Council for invoicing and managing payments could be seen as 	<p>charge full cost recovery, as some organisations are very small. Whilst on the face of it a fee review would be the way forward, this may lead to organisation/groups leaving facilities, losing the facility to the community and the possibility of some facilities being handled back to the Council, leading to additional cost pressures.</p> <ul style="list-style-type: none"> The Action Plan will include a review of the income codes and reconciliation process / approach to fees and charges to ensure consistency (where practicable) Lisa McLellan / Barry Wilkinson 31/3/25) 		

Management of Community and Recreation Assets – Chief Executive - 05-2023/24 – Final Report – November 2024

Findings and Implications	Agreed Action	Who	When
<p>uneconomic.</p> <ul style="list-style-type: none"> Unpaid fees / unused assets can provide management information. It can be an indication of an asset which has fallen out of use and may be a candidate for disposal. Using multiple codes for recording income makes effective reconciliation difficult. 			

Distribution List	
Damian Hughes	Accountable Officer Responsible for the Implementation of Agreed Actions
Neal Cockerton	Chief Executive
Katie Wilby	Chief Officer (Streetscene & Transport)
Barry Wilkinson	Highways Network Manager
Damian Hughes	Corporate Manager, Capital Programme and Assets
Lisa McLellan	Team Leader, Valuation & Estates
Ian Bushell	Streetscene Maintenance Manager (South and Structures)
FOR INFO	
Emma Heath	Risk team

Audit Priority:

Appendix A

Priority of Audit Finding	
Priority	Description
High (Red)	Action is imperative to ensure that the objectives of the area under review are met
Medium (Amber)	Requires action to avoid exposure to significant risks in achieving the objectives of the area
Low (Green)	Action encouraged to enhance control or improve operational efficiency

Audit Opinion:

The audit opinion is the level of assurance that Internal Audit can give to management and all other stakeholders on the adequacy and effectiveness of controls within the area audited. It is assessed following the completion of the audit and is based on the findings from the audit. Progress on the implementation of agreed actions will be monitored. Findings from **Some** or **Limited** assurance audits will be reported to the Audit Committee.

Assurance	Explanation
Green - Substantial	<p>Strong controls in place (all or most of the following)</p> <ul style="list-style-type: none"> • Key controls exist and are applied consistently and effectively. • Objectives achieved in a pragmatic and cost effective manner. • Compliance with relevant regulations and procedures

Management of Community and Recreation Assets – Chief Executive - 05-2023/24 – Final Report – November 2024

	<ul style="list-style-type: none"> • Assets safeguarded. • Information reliable <p>Conclusion: key controls have been adequately designed and are operating effectively to deliver the key objectives of the system, process, function or service.</p>
Amber Green – Reasonable	<p>Key Controls in place but some fine tuning required (one or more of the following)</p> <ul style="list-style-type: none"> • Key controls exist but there are weaknesses and / or inconsistencies in application though no evidence of any significant impact. • Some refinement or addition of controls would enhance the control environment. • Key objectives could be better achieved with some relatively minor adjustments. <p>Conclusion: key controls generally operating effectively.</p>
Amber Red – Some	<p>Significant improvement in control environment required (one or more of the following)</p> <ul style="list-style-type: none"> • Key controls exist but fail to address all risks identified and / or are not applied consistently and effectively. • Evidence of (or the potential for) financial / other loss • Key management information exists but is unreliable. • System / process objectives are not being met or are being met at an unnecessary cost or use of resources. <p>Conclusion: key controls are generally inadequate or ineffective.</p>
Red – Limited	<p>Urgent system revision required (one or more of the following)</p> <ul style="list-style-type: none"> • Key controls are absent or rarely applied. • Evidence of (or the potential for) significant financial / other losses • Key management information does not exist. • System / process objectives are not being met are being met at a significant and unnecessary cost or use of resources. <p>Conclusion: a lack of adequate or effective controls.</p>