

## Classification of Audit Recommendations

Recommendation	Description
High Risk	Action by the client that we consider <b>essential</b> to ensure that the service / system is not exposed to <b>major risks</b> .
Medium Risk	Action by the client that we consider <b>necessary</b> to ensure that the service / system is not exposed to <b>significant risks</b> .
Low Risk	Action by the client that we consider <b>advisable</b> to ensure that the service / system is not exposed to <b>minor risks</b> .
Good Practice	Action by the client where we consider <b>no risks</b> exist but would result in better quality, value for money etc.

## Audit Assurance Levels

Assurance Level	Basis	Description
High Assurance	Recommendations for ineffective controls affecting the material areas of the service are not High or Medium Risk. Any recommendations are mainly Good Practice with few Low Risk recommendations.	There is a sound system of internal control designed to achieve the system objectives and the controls are being consistently applied.
Substantial Assurance	Recommendations for ineffective controls affecting the material areas of the service are not High Risk. Occasional Medium Risk recommendations allowed provided all others are Low Risk or Good Practice.	There is a sound system of internal control but there is some scope for improvement as the ineffective controls may put the system objectives at risk.
Moderate Assurance	Recommendations for ineffective controls affecting the material areas of the service are at least Medium Risk.	The ineffective controls represent a significant risk to the achievement of system objectives.
Limited Assurance	Recommendations for ineffective controls affecting the material areas of the service are High Risk.	The ineffective controls represent unacceptable risk to the achievement of the system objectives.


**SWANSEA COUNCIL  
MANAGEMENT ACTION PLAN  
GRAND THEATRE  
2020/21**

REPORT REF	RECOMMENDATION	CLASS (HR; MR; LR; GP)	AGREED ACTION/ COMMENTS – Updated June '21	RESPONSIBILITY FOR IMPLEMENTATION	IMPLEMENTATION DATE – and update
<b>Expenditure – including P-Card Administration and Transactions</b>					
2.1.1 i)	A purchase order must be created before all goods and / or services are procured.  <i>(Previous Audit Recommendation)</i>	LR	The Interim Theatre Manager held a meeting with all Department Managers on the 15 <sup>th</sup> March 2021 and reminded all those with iProcurement responsibility that Spending restrictions must be adhered to and that all goods or services must be created on the system before anything is procured. Also approval is sought from the HoS in advance of each quarter before any spend can be authorised.	(Interim Theatre Manager) Operations Manager (resources)	Immediate Action <b>Completed;</b> Monitoring ongoing
2.1.1 ii)	Approval for purchases, subject to spending restrictions, should be obtained by the HoS and retained.	LR	As per comment above. Each Department manager is to provide the Interim Theatre Manager with a budget plan per quarter and then the approval will be obtained from the HoS. Appreciate that ad-hoc items might be required and approval will be sought individually.	(Interim Theatre Manager) Operations Manager (resources)	Immediate Action <b>Completed;</b> Monitoring ongoing
2.1.2	As per Accounting Instruction No. 5, the ESI check must be completed, evidence retained and the result along with the	MR	ESI are created for all those self-employed and there is a file on the server that contains all those submitted. Accounts	Interim theatre manager – Operations	Immediate Action <b>Completed;</b> Monitoring ongoing

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	Employment Status Form be submitted to Accounts Payable.		payable will not release payment unless the ESI has been completed. To mitigate any future risks – those that are self-employed will be placed onto Oracle and the checks will be undertaken centrally.	Manager (resources)	
2.1.4	All P-Card payments must be approved by the cardholder's authorised line manager.  <i>(Previous Audit Recommendation)</i>	LR	P Card approvals – each month the Operations Manager (Resources) obtains the receipts from each of the holders and then approval of transactions are provided. Previously if the theatre manager or Operations Manager was out of the office or on leave then no one approves, hence why a couple of transaction have been approved by Finance.  During any absence of the Operations Manager (Resources), the Operations Finance Manager has been directed to undertake this remit.	Operations Manager (resources)	Immediate Action <b>Completed</b> ; Monitoring ongoing
2.1.5	A VAT receipt should always be requested at the time of purchase. Where a VAT receipt is not available, VAT should not be reclaimed.	LR	<i>The approvals for these transactions were completed centrally due to absence;</i> The Operations Manager (Resources) has requested all staff to obtain VAT receipts from the supplier.	(Theatre Manager) Operations Manager (resources)	Immediate Action <b>Completed</b> ; Monitoring ongoing

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2.1.6	A VAT receipt should always be requested at the time of purchase and the VAT shown reclaimed on the P-Card system.  <i>(Previous Audit Recommendation)</i>	LR	As above; P Card holders have been reminded about this. In addition we have reduced the number of P Cards in the theatre to two initially and subsequently reduced to one.	(Theatre Manager) Operations Manager (resources)	Immediate Action <b>Completed;</b> Monitoring ongoing
2.1.7	The Purchasing Card is not intended to replace the use of official orders for standard purchases and is not to be used as a means of bypassing Corporate Procurement rules or Spending Restrictions.	LR	Staff have been reminded of the protocols and that purchases will not be authorised for abuses.  <i>Nb. Staff also reminded that some ad-hoc purchasing for maintenance purposes will continue to take place for spot repairs and urgent, unforeseeable need is within the terms of use.</i>	SMT  (Theatre Manager) Operations Manager (resources)	Immediate Action <b>Completed;</b> Monitoring ongoing
<b>Income</b>					
2.2.1	It should be ensured that documents are signed as evidence of checks being undertaken when handing in cash for banking.	LR	Noted that during periods of staff absence significantly reducing capacity, some documents have not been countersigned. The Interim Theatre Manager has raised this with individuals and has directed the relevant team members to ensure there remains adequate cover and counter signatories in place.	SMT (Theatre Manager) Operations Manager (foh/tech)	Immediate Action <b>Completed;</b> Monitoring ongoing following operational restart post lockdown.
2.2.2	The amount of the cash float transferred to and from the Ushers should be recorded.	LR	This was partly complete, as the cash floats are counted and provided to the Customer	SMT	Immediate Action <b>Completed;</b>

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	<i>(Previous Audit Recommendation)</i>		Service Assistants, who signed to verify the amount, but the figure was not recorded separately per signature as it was a fixed sum. Similarly at the end of the interval the balance was aggregated rather than recorded to individuals. This has now been rectified and the system is in place.	(Theatre Manager) Operations Manager (foh/tech)	Monitoring ongoing with implementation on operational restart later this year.
2.2.3	A monthly income management routine should be implemented, reviewing the payment status of all invoices for the Theatre. Action should be taken to chase customers with outstanding debt with the intention of obtaining payment and resolving any disputes that may arise.	MR	A procedure is in place for Accounts Receivable disputes and discussions have taken place regarding debts. Several have been referred to Legal. A report from Accounts Receivable is sent to the theatre each month and the Operations Finance Manager reviews and follows up outstanding actions	SMT (Theatre Manager) Operations Manager (resources)	Immediate Action <b>Completed</b> ; Monitoring ongoing with implementation on operational restart later this year.
<b>Ticket sales and issue of complimentary tickets</b>					
2.3.3	The policy/guidance note for the issuing of complimentary tickets should be reviewed, updated and approved by the current Head of Service. An annual review of the policy should also take place.	MR	The previous policy has been reviewed, and updates need to be ratified. The policy will continuously be reviewed as part of annual budget and service planning.	Policy /Service support officer overseen by the Service Strategic Management team - HoS overall	Immediate Action <b>Completed</b> ; Approvals to be ratified June '21
2.3.4	The complimentary ticket form should be reviewed to ensure that it complies with the information required in the updated Complimentary Tickets Guidance.	LR	As above – the form is currently compliant with the previous	Strategic Manager; via Theatre Manager;	As above as 'co-dependent'.

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			policy and will be updated accordingly.		
<b>Agreements with Ticket Agents</b>					
2.4.1	New agreements should be signed and retained, detailing the 0% commission rate.	LR	<p>A new agreement was sent out to all Ticket Agents on the 16<sup>th</sup> April 2019 outlining the 0%. The new agreement is therefore already in place for all shows.</p> <p style="text-align: center;">   Ticket Agent Letter.doc </p>	SMT (Theatre Manager) Operations Manager (resources)	Immediate Action <b>Completed;</b>
<b>Contractual Agreements</b>					
2.5.1	The current negotiation and approval of contracts process should be reviewed to ensure it meets business needs.	HR	<p>HoS is now linked in with managers who review and discuss all implications of contracts and requests for variation. HoS signing off all new contracts at the theatre. Clear role for negotiating and making recommendations is within an updated JDPS for the theatre manager. With all productions, a Gross Profit calculator is created to ensure the best deal. The financial outcome to the theatre is escalated, forecasting audience capacities, for approval.</p>	SMT (Theatre Manager) Operations Manager (resources)	Immediate Action <b>Completed;</b>
2.5.2	All amendments to contracts should be made prior to the signing of the document. If this is not possible, any amendments	MR	As above. This process is in place and any contract variation is discussed between those that	SMT (Theatre Manager) Operations	Immediate Action <b>Completed;</b>

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	should be initialled and dated by both parties as evidence of both parties agreeing to the amendments.		sign the contract. Amendments are agreed via written correspondence either via email or via the actual contract.	Manager (resources)	
2.5.3	Insurance documents should be checked and evidence of the insurance in place should be retained.	MR	All insurance documents for any Producers coming into the theatre are obtained along with their Risk Assessments and Technical Riders. This is the responsibility of the Technical Team Lead.	Strategic Manager and SMT – theatre manager lead –	Immediate Action <b>Completed;</b> Monitoring ongoing with implementation on operational restart later this year.
<b>Room Hire Income</b>					
2.6.1 i)	Booking forms should be completed for all bookings. Regular bookings should be recorded on a signed booking form and reviewed at least on an annual basis to ensure that current charges are reflected and agreed.	MR	All long term tenants and hirers, their risk assessments, insurance and hire agreements are obtained and signed. This is the responsibility of the Front of House Managers. Room Hire rates are reviewed annually to see if they are fit for purpose and we review for local comparison and liaise with other similar venues throughout Wales and national theatre networks for comparators.	SMT (Theatre Manager) Operations Manager (foh/tech)	Immediate Action <b>Completed;</b> Monitoring ongoing with implementation on operational restart.
2.6.1 ii)	Booking forms should be signed by both parties.	LR	Previous discrepancies arose with customers outside the area without access to scanners etc, meaning email confirmations were used. The roll out of	SMT (Theatre Manager) Operations Manager (foh/tech)	Immediate Action <b>Completed;</b> Monitoring ongoing with

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			docusign will assist the procedures to be embedded on reopening.		implementation on operational restart.
2.6.1 iii)	Free booking category should be included on the room hire rates form, clearly indicating what circumstances are acceptable and who can approve free bookings.	LR	There is currently a review in place at the moment and the rates, rationale and authorisations will be amended accordingly.	SMT (Theatre Manager) Operations Manager (foh/tech)	Immediate Action <b>Completed;</b> Procedures and categories to be ratified June '21
<b>Inventory</b>					
2.7.1	As required in Accounting Instruction (AI) 9, full descriptions of items should be recorded, including make, model and serial number.	LR	This has been completed for all new items coming onto the inventory. The inventory is scheduled to be checked annually during August whilst we are in dark mode.	SMT (Theatre Manager) Operations Manager (foh/tech)	Immediate Action <b>Completed;</b>
2.7.3	Inventory Certificates should be completed at the end of each financial year, in accordance with AI 9.	LR	This will be completed by each Manager as part of the Year End Procedure and will be coordinated by the Operations Finance Manager.	SMT (Theatre Manager) Operations Manager (foh/tech)	Immediate Action <b>Completed;</b>
<b>Petty Cash</b>					
2.10.1	As per Accounting Instruction 6, Petty Cash Claims should be submitted at least on a 3 monthly basis.	GP	The need for Petty Cash has reduced in theatre which resulted in the float being reduced from £400 to £200. Nil claims will be submitted by the designated officers.	Theatre manager – SMT Ops manager (resources)	Immediate Action <b>Completed;</b>



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2.10.3	A VAT receipt should always be requested at the time of purchase, and eligible VAT reclaimed.	LR	The Operations Manager (Resources) has reminded and instructed all staff to obtain VAT receipts from the supplier.	Theatre manager – SMT Ops manager (resources)	Immediate Action <b>Completed;</b>
<b>Restoration Fund</b>					
2.13.2	The Restoration Fund Constitution should be finalised and approved by the HoS.	LR	The RF Constitution is in line with the Councils Spending Restrictions and the fund is monitored by the Operations Manager (Resources). The fund was set up and approved by Cabinet. Use is approved by HoS and Director.	Ops manager (resources) HoS	Immediate Action <b>Completed;</b> Approvals to be ratified June '21
<b>Vehicles</b>					
2.14.3	Fuel reports should be requested from CTU and reviewed on a regular basis.	GP	The Interim Theatre Manager has requested that CTU send these reports on a monthly basis via email. We have greatly reduced the use of vehicles by implementing new digital systems and new website.	SMT (Theatre Manager) Operations Manager (foh/tech)	Immediate Action <b>Completed;</b>