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Chartered Accountants

**Aberdeen City Council**

**Follow-up School Lets 2006/07 Review**

**External Audit Report No: 2010-03**

**Draft Issued: 3 June 2010**

**Final Issued: 7 September 2010**



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### **Restriction on Use**

This report has been prepared in accordance with our responsibilities under International Standards on Auditing and Audit Scotland's Code of Audit Practice for the audit of Aberdeen City Council.

We take this opportunity to remind you that:

- This report has been prepared for the sole use of Aberdeen City Council its Audit and Risk Committee and will be shared with the Accounts Commission and Audit Scotland
- No responsibility is assumed by us to any other person who may choose to rely on it for his or her own purposes
- This report sets out the findings from the specific areas covered by our review. Any weaknesses outlined are only those that have come to audit attention during the course of normal audit work and are not necessarily, therefore, all the weaknesses that may exist.



# Management Summary

## Introduction and Background

1. This is the fourth year of our five-year appointment as external auditors to Aberdeen City Council (the Council), following our previous two year appointment. This report covers our planned follow-up review of the improvement actions agreed in our report **School Lets 2006/07**, Report Number 2007/08, issued on 19 August 2008.
2. This review was carried forward from our 2008/09 audit plan due to officers within the Council not being able to respond at that time. A progress update was received from Officers on 25 March 2010.

## Objectives of the Audit

3. The objective of our review was to assess whether the recommendations made in our previous report have been appropriately implemented and to ensure that, where little or no progress has been made towards implementation, that plans are in place to progress them.

## Audit Approach

4. The action plan from the original report, updated to include a column for progress made to date, was issued to appropriate officers for completion. The completed action plan is in Appendix I of this report.
5. Table 1 below reflects the current status of the action plan. We have reviewed the updated action plan at Appendix I, held interviews with officers as necessary and carried out an audit of the evidence in support of the updated action plan in order to validate the findings.

**Table 1**

Area	From Original Report		From Follow Up Work Performed	
	Recommendation Grades	Number	Fully Implemented	Not Implemented
	A	3	3	
	B	2	2	
	C	4	3	1
<b>Total</b>		<b>9</b>	<b>8</b>	<b>1</b>

## Update Since Our Initial Audit

6. Since our initial review in 2008, the Council has developed and implemented a new process and documentation for dealing with bookings and lettings of both Educational Facilities and Sports Facilities. The process was published on the website in May 2010 and will apply from August 2010. The process includes the following documents which are available on the Council website:
  - a document 'Conditions of Let of Educational Facilities' which outlines information for potential hirers
  - a document outlining the charges to apply, according to both the facility hired and category of user
  - a booking form
  - a document outlining the priority of access given to the various types of user at different times of day



## Management Summary

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### Update Since Our Initial Audit (cont'd)

7. The issues and recommendations identified in the initial audit were taken into account during the development of the new process and whilst in some cases the actual recommendation may not have been implemented, the process now addresses the issue in a different but acceptable manner.
8. The only recommendation which has not been addressed is the provision of online facilities of the completion of the EMG55 form (this is the form used by schools to book facilities), due to lack of resources. This is being addressed with the ongoing consideration of the procurement of an electronic Leisure Management System, subject to available resources, and the Education, Culture and Sport (ECS) Committee has agreed to receive a further report on.

### Overall Conclusion

9. Although final completion is behind the original target date the Council has made good progress in addressing the issues and implementing recommendations of this review.
10. As noted above, one recommendation has still to be implemented. This is being addressed by the ECS Committee and we do not propose to undertake any further audit follow-up work in this area.

### Acknowledgements

11. We would like to thank all staff for the co-operation and assistance we received during the course of our review.



## Appendix I - Follow-up Action Plan

Para Ref.	Recommendation	Grade	Comments	Agreed	Responsible Officer	Agreed Completion Date	Progress at May 2010
1.4	<p><b>Letting Procedures</b>  <b>R1</b> The Lets policy should be reviewed and brought up to date. Thereafter it should be regularly reviewed and updated to take account of any changes in operational structures.</p>	A		Yes	B Miller/ D Leng	February 2009	<p>ECS report to cttee 18/02/10  <i>Rec 14 – The revised Bookings and Lettings policy and procedures be progress in time for implementation in August 2010. (Approved)</i></p> <p><b>Complete</b></p>
2.3	<p><b>Communication of Approach to School Lets and Adoption of Standards</b>  <b>R2</b> Consideration should be given to enabling schools to complete the Ed.Pro forms directly into the lets database.</p>	C	The current system and establishments currently do not have the connectivity required. This will be considered as an option in any future review of the current system, but will be subject to resource restrictions	As per comment	B Miller/ D Leng	February 2009	<p>ECS report to cttee 18/02/10  <i>Rec 1 – That both Sports Bookings and Educational Lettings system be brought together into a single more customer focused, integrated system. (Approved)</i></p> <p>Ed Pro forma are now being e-mail to and from schools to streamline procedures.</p> <p><b>Complete</b></p>



## Appendix I - Follow-up Action Plan

Para Ref.	Recommendation	Grade	Comments	Agreed	Responsible Officer	Agreed Completion Date	Progress at May 2010
2.4	<b>R3</b> Consideration should be given to providing online facilities for completion of the EMG 55 form.	C	As 2.3 above	As 2.3 above	B Miller/ D Leng	February 2009	ECS report to cttee 18/02/10 Rec 2 – <i>Officers continue to explore options to progress the procurement of an electronic Leisure Management System.</i> – Cttee agreed to receive a report back on this matter  <b>Not implemented</b>
2.5	<b>R4</b> The additional facilities that will be on offer from the new PPP schools should be considered when preparing the projections for school lets information for contracting purposes.	B	Agreed. This is already being considered.	Yes	B Miller/ D Leng	Immediate	The council has a bank of hours of staff support in the PPP schools which has been taken into account when selecting locations to be used for lettings, with lets being allocated to PPP schools on a priority basis within new procedures.  <b>Complete</b>



## Appendix I - Follow-up Action Plan

Para Ref.	Recommendation	Grade	Comments	Agreed	Responsible Officer	Agreed Completion Date	Progress at May 2010
2.5	<b>R5</b> The impact of PPP schools' letting should be covered in the Lets Policy	B	Agreed. This is already being considered.	Yes	B Miller/ D Leng	Immediate	The council has a bank of hours of staff support in the PPP schools which has been taken into account when selecting locations to be used for lettings.  <b>Complete</b>
3.2.3	<b>Income, costs and contribution</b> <b>R6</b> When discount is claimed an organisation's founding documents should be requested and checked when lets are established to support the group's category and entitlement to discount.	C		Yes	B Miller/ D Leng	Immediate	ECS report to cttee 18/02/10 Rec 7 – <i>That charges are applied in line with the charging rates relative to the majority nature of the Group using the facility as set out in section 7 of the report. (Approved)</i> Rec 8 – <i>That application for lets be considered in line with the Access Priorities set out in section 7 of the report. (Approved)</i>  <b>Complete</b>



## Appendix I - Follow-up Action Plan

Para Ref.	Recommendation	Grade	Comments	Agreed	Responsible Officer	Agreed Completion Date	Progress at May 2010
3.2.4	<b>R7</b> The policy for charges for additional rooms should be reviewed to ensure best value is obtained.	A		Yes	B Miller/ D Leng/ B Dow	February 2009	ECS report to cttee 18/02/10 Rec 6 – <i>Charging categories based on the size and type of the facility being used are introduced for use of all sports and educational establishments, as set out in section 6 of the report.</i> (Approved)  <b>Complete</b>
3.4.1	<b>R8</b> Let charges should be set with the identifiable direct costs and an estimate for the unquantifiable indirect costs available for information. Other non-financial aspects that affect Lets Policy should also be fully identified	A	This will be reviewed in conjunction with Resources Management prior to any further increases.	Yes	B.Miller/ D Leng/ B Dow	February 2009	ECS report to cttee 18/02/10 Rec 6 – <i>Charging categories based on the size and type of the facility being used are introduced for use of all sports and educational establishments, as set out in section 6 of the report.</i> (Approved)  <b>Complete</b>





## Appendix I - Follow-up Action Plan

Para Ref.	Recommendation	Grade	Comments	Agreed	Responsible Officer	Agreed Completion Date	Progress at May 2010
4.6	<b>Recovery R9</b> Consideration should be given to taking deposits for lets above a certain value or for regular long-term lets.	C	As the costs of collection of deposits may negate such benefits, advice will be sought from Resources Management on the most cost effective way to achieve this.	Yes	B.Miller/ D Leng/ B Dow	December 2008	ECS report to cttee 18/02/10 Additional Issues – <i>It is proposed that advance payment for lets be introduced giving due consideration to groups who may experience difficulty in this.</i> (No Cttee Decision)  <b>Complete</b>

ECS                      Education, Culture and Sport

## **ABERDEEN CITY COUNCIL - EXTERNAL AUDIT**

### **MANAGEMENT STATEMENT ON EXTERNAL AUDIT**

TITLE : Follow-up School Lets 2006/07 Review

REFERENCE: 2010-03

### **STATEMENT**

This report is a follow-up to an external audit carried during 2007/08. The original audit highlighted a number of concerns about the policy and procedures relating to the operation of educational lettings, and made recommendations for how these could be improved.

Following a comprehensive review, the Education, Culture and Sport Committee approved a new policy and procedures for bookings and lettings across City Council sports and educational establishments in February 2010. These reflected the recommendations contained within the original external audit report. The only exception was recommendation R3, which related to the provision of online facilities for managing the lettings process. The Committee was not able to support this recommendation at the time, due to lack of resources, but did request that officers continue to explore options to progress the procurement of an electronic leisure management system, and report back to a future committee meeting on this matter.

Officers are satisfied that report adequately reflects and acknowledges the considerable progress made in reviewing bookings and lettings for sports and educational establishments, and endorses much of this work from an external audit point of view.

CORPORATE DIRECTOR : Annette Bruton

DATE : 8 September 2010