



Internal Audit Report
The Environment Service
16-27 Events & Festivals
March 2017

Final Report

Finance Division
Corporate and Democratic Services
Perth & Kinross Council
Council Offices
2 High Street
Perth
PH1 5PH

Internal Audit

“Internal Audit is an independent, objective assurance and consulting activity designed to add value and improve an organisation’s operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes”. Public Sector Internal Auditing Standards (PSIAS)

On 27th March 2013, the Council’s Audit Committee approved the PSIAS as the relevant standard for its Internal Audit activity.

Background and Introduction

This audit was carried out as part of the audit plan for 2016/17, which was approved by the Audit Committee on 30 March 2016. Perth and Kinross has an extensive calendar of events and festivals ranging from small locality focused events to large sporting and mass participation events and festivals such as T in the Park. Events are acknowledged as major drivers of tourism and growth to the local economy, with major events generating an estimated net additional economic impact for the area of approximately £17 million per year. An Events and Festivals strategy was approved by Committee in June 2013 which outlined the Council’s ambition for the area as a whole to be the destination choice for UK and international visitors.

Audit testing was carried out in February and March.

Scope and Limitations

The audit considered arrangements in place in relation to events and festivals within Perth & Kinross. This included a review of planning and management of events led by the Council, support to external events and evaluation of events to demonstrate their contribution to Council objectives.

In order to arrive at an opinion on the achievement of the control objective, the audit consisted of analysis of documentation and systems in place and interviews with relevant officers.

The audit did not consider arrangements in regards to business events or the promotion of Perth and Kinross as a tourist destination.

Control Objectives and Opinions

This section describes the purpose of the audit and summarises the results. A ‘control objective’ is a management objective that requires the maintenance of adequate and effective internal controls to ensure that it is achieved. Each control objective has been given a rating describing, on the basis of the audit work done, the actual strength of the internal controls found to be in place. Areas of good or poor practice are described where appropriate.

Control Objective: To ensure that there are adequate arrangements in place regarding events and festivals
Audit Comments: Internal audit testing confirmed that there are controls in place in respect of events and festivals.

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There is a documented Events & Festivals Strategy for 2013-2020, which was approved by the Enterprise & Infrastructure Committee in June 2013. The Service recognises that this document would benefit from revision to ensure that the information and the approach is up-to-date and that there will be performance information available to provide evidence of the progress made against the goals set out in the events strategy.

There are application and approval processes available for event organisers requesting grant funding and those seeking to use Council community greenspace. Currently there is an information pack available to those using greenspace areas. A new booklet has been drafted for Council wide use and is being submitted for approval by the Corporate Management Group. This focuses primarily on health, safety and legal considerations for larger scale events. A two-page summary document has also been drafted for small scale events. A revised approach to a Multi-Agency Strategic Safety Advisory Group has recently been established and events will be reviewed and supported, as necessary, as part of this.

The Service has recognised that there would be benefit in reviewing the customer journey where event organisers contact the Council regarding an event within Perth & Kinross. They are currently working with Services to introduce a Service-wide application process. There would be merit in extending this to include a review of the application assessment process and the supporting information provided to event organisers, including information available on the Council website.

The Service utilises planning and control sheets to ensure that Council led events are successful and comply with various regulatory requirements. There is scope, however, to improve planning documentation to record considerations of equality and suitability of volunteers/staff utilised at the event and to document the formal approval process for all Council events.

There is evidence demonstrating consideration of advertising/ promotion of Council led events, and those being held on Council owned land. The Service has recognised the benefit of formalising the approach to marketing activity and has recently established a Communications and Marketing Group to agree roles, responsibilities and to produce a coordinated marketing and communication strategic plan. Within this, there is scope to ensure that this aligns to the Events Strategy and to document the approach to timescale and coverage for promotion activity.

It is a condition of award of Council grant funding that an event evaluation is provided and testing has confirmed that this is happening. Councillors have been involved in growing the Winter Festival programme and key events within this have been evaluated. There is, however, scope to improve the evaluations and development process by recording the Council approach to evaluation, introducing a centralised register and expanding information included within the master events register.

Strength of Internal Controls:	Moderately Strong
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Management Action and Follow-Up

Responsibility for the maintenance of adequate and effective internal controls rests with management.

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Where the audit has identified areas where a response by management is required, these are listed in Appendix 1, along with an indication of the importance of each 'action point'. Appendix 2 describes these action points in more detail, and records the action plan that has been developed by management in response to each point.

It is management's responsibility to ensure that the action plan presented in this report is achievable and appropriate to the circumstances. Where a decision is taken not to act in response to this report, it is the responsibility of management to assess and accept the risks arising from non-implementation.

Achievement of the action plan is monitored through Internal Audit's 'follow up' arrangements.

Management should ensure that the relevant risk profiles are reviewed and updated where necessary to take account of the contents of Internal Audit reports. The completeness of risk profiles will be examined as part of Internal Audit's normal planned work.

Acknowledgements

Internal Audit acknowledges with thanks the co-operation of M Boyle and other officers within the Enterprise team and the Greenspace team.

Feedback

Internal Audit welcomes feedback, in connection with this audit or with the Internal Audit service in general.

Distribution

This report has been distributed to:

B Malone, Chief Executive

J Valentine, Depute Chief Executive Sustainability, Strategic and Entrepreneurial Development

B Renton, Director Environment

T Flanagan, Interim Head of Economic Development

W Young, Head of Environmental and Consumer Services

J Symon, Head of Finance

K McNamara, Head of Strategic Commissioning and Organisational Development

G. Taylor, Head of Democratic Services

L Simpson, Head of Legal and Governance Services

L McIntyre, Enterprise Manager

A Graham, Business Development Team Leader

M Boyle, Events Officer

P Dickson, Complaints & Governance Officer

External Audit

Authorisation

The auditors for this assignment were L Ferguson and J O'Connor. The supervising auditor was M Morrison.

This report is authorised for issue:

Jacqueline Clark
Chief Internal Auditor
Date: 27 March 2017

Appendix 1: Summary of Action Points

No.	Action Point	Risk/Importance
1	Events & Festivals Strategy and Reporting	Low
2	Support for Event Organisers	Low
3	Council Events Documentation	Medium
4	Promotion and Marketing	Low
5	Development	Low

Appendix 2: Action Plan

Action Point 1 - Events & Festivals Strategy and Reporting

There is a documented Events & Festivals Strategy for 2013-2020, which was approved by the Enterprise & Infrastructure Committee in June 2013.

1) This would benefit from revision to update the strategic focus on events, the approach and governance and to include the frequency of Event Strategy Meetings.

2) Whilst it is acknowledged that Councillors have assisted in directing events evaluations in relation to the Perth Winter Festival over the past few years, there is a lack of process for determining which events (both internal and external) should be evaluated and the scale of evaluation to be considered. It was noted in a report submitted to the Enterprise & Infrastructure Committee in June 2016 that the Director (Environment) would report on the economic impact of the 2016/17 events programme in April 2017 and a report was considered by the Committee in March 2017 relating to the impact of the Winter Festival.

Management Action Plan

1) It was agreed at the Events Strategy meeting held on the 15th March 2017 that the Events & Festivals Strategy would be updated.

2) A process will be introduced for determining which events are to be evaluated and to what extent.

Importance:	Low
Responsible Officer:	1) A Graham, Business Development Team Leader 2) M Boyle, Events Officer
Lead Service:	The Environment Service
Date for Completion (Month / Year):	1) April 2018 2) September 2017
Required Evidence of Completion:	1) Updated Events & Festivals Strategy 2) Evidence that process has been introduced for determining which events are to be evaluated and to what extent

Auditor's Comments

Satisfactory

Action Point 2 - Support for Event Organisers

The Service has recognised that there would be benefit in reviewing the customer journey where event organisers contact the Council regarding an event within Perth & Kinross.

1) Work is currently being undertaken with Services to introduce a Service-wide application process. There would be merit to extending this to include a review of the application assessment process and the supporting information provided to event organisers.

2) Internal Audit reviewed the Council website in relation to events and noted that improvements could be made to assist organisers considering staging events within Perth & Kinross. Examples of this are: including contact details on the main Events page; including information about holding events within Perth and Kinross; the vision for the Council in relation to Events & Festivals; and publication of an application form once this has been defined.

Management Action Plan

- 1) A Council wide application and assessment process will be introduced
- 2) The Council website will be revised to include, for example, the main Events page including contact details; information about holding events within Perth and Kinross; the vision for the Council in relation to Events & Festivals; and publication of an application form once this has been defined.

Importance:	Low
Responsible Officer:	1) & 2) M Boyle Events Officer.
Lead Service:	1) & 2) The Environment Service
Date for Completion (Month / Year):	1) & 2) September 2017
Required Evidence of Completion:	<p>1) Example of application and assessment process</p> <p>2) Evidence that council website has been revised to include contact details; information about holding events within Perth and Kinross; the vision for the Council in relation to Events & Festivals; and publication of an application form once this has been defined</p>

Auditor's Comments

Satisfactory

Action Point 3 - Council Events Documentation

- 1) There is a planning process in place to ensure that Council led events are successful and comply with various regulatory requirements. Whilst the Service advises that equalities issues are considered, Internal Audit testing revealed that this is not reflected within the planning sheets.
- 2) Similarly, there is no policy/planning material in place which demonstrates consideration of suitability of the following at Council led events:
 - a) General Public in a volunteering role
 - b) Council employees in a volunteering role
 - c) Security staff.
- 3) Internal Audit testing has revealed that there is also a lack of a documented formal approval process for all Council events. Such documentation should show that there is an assessment of the event against the objectives of the Events Strategy and that there is consideration of costs.

Management Action Plan

- 1) Planning sheets will be updated to reflect compliance with equalities legislation.
- 2) Planning sheets will be updated to evidence consideration of suitability of
 - a) General Public in a volunteering role;
 - b) Council employees in a volunteering role; and
 - c) Security staff.
- 3) The service has prepared an event outline template which will be completed for each future council planned or managed event.

Importance:	Medium
Responsible Officer:	1) M Boyle, Events Officer 2(a) L McIntyre, Enterprise Manager 2(b) & 2(c) M Boyle, Events Officer 3) Complete
Lead Service:	1 & 2) The Environment Service
Date for Completion (Month / Year):	1) and 2) September 2017

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Required Evidence of Completion:	<ul style="list-style-type: none">1) Evidence that planning sheets have been updated to reflect compliance with equalities legislation2) Evidence that planning sheets have been updated to consider the suitability of<ul style="list-style-type: none">a) General Public in a volunteering roleb) Council employees in a volunteering rolec) Security staff
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Auditor's Comments

Satisfactory

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Action Point 4 - Promotion and Marketing

The Service has recognised the benefit of formalising the approach to marketing activity and has recently established a Communications and Marketing Group to agree roles, responsibilities and produce a coordinated marketing and communication strategic plan.

However, at the time of audit testing an advertising and marketing strategy has yet to be developed which would link to the Events Strategy and the growth of events.

Management Action Plan

Advertising and marketing strategy will be developed which links to the Events Strategy and the growth of events.

Importance:	Low
Responsible Officer:	L McIntyre, Enterprise Manager
Lead Service:	The Environment Service
Date for Completion (Month / Year):	September 2017
Required Evidence of Completion:	Advertising and marketing strategy

Auditor's Comments

Satisfactory

Action Point 5 - Development

- 1) There is no centralised register kept of all event organisers contacting the Council along with the outcome of contact. Introduction of such a log would facilitate information in regards to marketing and customer experience and could be used to analyse potential improvement areas and increase future event growth
- 2) There is a master events register, which details events to be held within Perth and Kinross. There is scope to enhance this register to include more information, such as whether an event is local/regional/major; third party or Council owned and the frequency of the event. This information would assist in developing events and facilitating economic growth in line with priorities outlined within the Events Strategy.

Management Action Plan

- 1) Consideration will be given to logging all contacts by potential event organisers with the council and their outcome.
- 2) The master event register will be updated to provide additional information in respect of whether an event is local, regional or major, third party or council led and frequency of the event.

Importance:	Low
Responsible Officer:	M Boyle, Events Officer
Lead Service:	The Environment Service
Date for Completion (Month / Year):	September 2017
Required Evidence of Completion:	<p>1) Evidence that consideration has been given to logging all contacts by potential event organisers with the Council and their outcome</p> <p>2) Evidence that master event register has been updated to provide additional information in respect of whether an event is local, regional or major, third party or council led and frequency of the event.</p>

Auditor's Comments

Satisfactory