

**Causeway Coast & Glens Borough Council**

**Tourism Services – Visitor Information  
Centres**

**May 2023**

**Contents**

Executive Summary ..... 3

1 Objectives..... 5

2 Background..... 5

3 Risks ..... 5

4 Audit Approach ..... 6

5 Audit Findings..... 7

Appendix A – Assurance Ratings .....14

Appendix B – Summary of Controls Reviewed.....15

Appendix C - Limitations and responsibilities .....16

## Executive Summary

### Internal Audit Opinion / Assurance Rating

This internal audit was completed in accordance with the approved annual Internal Audit Plan for 2022/23. This report summarises the findings arising from a review of Tourism Services. The table below summarises the key areas of *potential risk* which were considered and reviewed (controls considered for each risk are detailed in Appendix B):

Risks Reviewed	Number of Recommendations and Priority Rating		
	1	2	3
There may be ineffective management of the VIC provision resulting in a risk of unnecessary costs to Council.	-	1	-
There may be insufficient controls in place in relation to the receipt and recording of income leading to an increased risk of loss of income to the Council due to misappropriation or errors.	-	1	3
There may be inadequate controls over the security of cash leading to potential theft or misappropriation and loss of income to the Council securely held and regularly checked.	-	-	1
Stock of crafts and artisan products may not be appropriately managed leading to a risk of misappropriation of stock and/or inaccurate payments to suppliers.	-	-	1

Based on our audit testing we are able to provide the following overall level of assurance:

<b>SATISFACTORY</b>	Overall, there is a satisfactory system of governance, risk management and control. While there may be some residual risk identified this should not significantly impact on the achievement of objectives.
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Definitions of levels of assurance and the priority ratings for recommendations are included in Appendix A.

The weaknesses identified during our audit have been brought to the attention of Management. The weaknesses outlined are those, which have come to our attention during the normal audit work and are not necessarily all the weaknesses, which may exist.

The content of this report has been discussed with officers and management to confirm factual accuracy. The assistance and cooperation received during our review is gratefully acknowledged.

## 1 Objectives

To ensure that:

- Council VIC services are being delivered in a cost-effective manner.
- All VIC income is being securely and appropriately managed.
- There is an appropriate system for managing artisan and craft stock.

## 2 Background

Council operates a number of visitor information centres across the borough. They are a combination of seasonally operated centres and year-round centres opening between 9.00 to 17:00 and some offering evening opening at certain times. The following is a list of visitor information centre (VIC) locations:

- Ballycastle Visitor Information Centre
- Ballymoney Visitor Information Centre
- Bushmills Visitor Information Centre
- Coleraine Visitor Information Centre
- Limavady Visitor Information Centre
- Portrush Visitor Information Centre
- Rathlin Island Boathouse

Council also has a service level agreement with the Glens of Antrim Historical Society for the management of Cushendall Local Information Office.

VICs provide information and respond to queries from visitors, and research by Visit Britain and Tourism Northern Ireland indicates VICs have a significant role to play as a source of information and can play a role in encouraging a visitor to stay longer and/or visit other sites they had not planned to visit.

The VIC's currently offer an accommodation, and experience booking service and retail local craft and artisan foods. They are working with approximately 130 local craft/ authors/ artisan food providers, 25 experience providers offering a direct booking service for over 36 experiences throughout the Destination.

## 3 Risks

The purpose of this audit was to provide assurance to management that procedures and controls within the system ensured that:

- VIC services are being delivered in a cost-effective manner.
- Income from the VICs is collected correctly, reconciled, and banked promptly.
- The ordering and monitoring of stock is managed effectively.

#### 4 Audit Approach

We conducted our internal audit work in accordance with the Public Sector Internal Audit Standards (“PSIAS”). We planned and performed our work to obtain assurance over the operating effectiveness of arrangements in place to address the agreed risks. However, you should not rely on our work to identify all instances of fraud or error which may exist. The responsibility for these matters rest with management of the organisation.

Our audit fieldwork comprised:

- Documenting the systems via discussions with key staff
- Consideration of the key risks within each audit area
- Examining relevant documentation
- Carrying out a preliminary evaluation of the arrangements and controls in operation generally within the Council
- Testing the key arrangements and controls
- Testing the completeness and accuracy of records

The table below shows the staff consulted with and Internal Audit would like to thank them for their assistance and co-operation.

Job Title
Director of Leisure and Development
Head of Tourism
Destination Manager
Visitor Servicing Officer (VSO)
Assistant Visitor Servicing Officer (AVSO)

## 5 Audit Findings

### 5.1 Risk 1 – There may be ineffective management of the VIC provision resulting in a risk of unnecessary costs to Council.

#### Issue 1 – Rationalisation of VIC Service Provision

##### a) Observation-

We reviewed an internal report prepared by the Destination Manager and VSO which outlined information on the current VIC service provision, including enquiries and costs. The version of the report we received was dated January 2023. This report also contained a number of recommendations on how to rationalise the VIC service, identifying possible cost savings. We reviewed the minutes of a series of Council meetings held to set the rates and consider cost cutting for the 2023/24 budget (February 2023). We reviewed reports brought to these meetings by the Directorate of Leisure and Development and found that the costs cutting measures proposed in relation to VIC provision reflect a number of the key recommendations made in the internal report (January 2023). Based on the information provided, Councillors decided which cost cutting measures to implement in this area.

We reviewed and analysed the detail within the internal report (January 2023) and found that the rationalisation recommendations made were supported by the statistics and costs referred to within it. We also reviewed and verified the source of the statistics. We carried out some further analysis of the detail within the internal report and ranked VICs by:

1. Costs – highest cost ranked 1<sup>st</sup>
2. Out of state enquiries – highest number received ranked 1<sup>st</sup>

We noted the following:

- The VICS ranked second and third highest for cost have the lowest number of out of state enquiries. One of these VICs is a dual-purpose location but the full costs appear to be charged to the VIC and not apportioned between the various services provided at that location. We did note that at another VIC which is a dual-purpose location, the costs have been apportioned between the services provided within that building.
- The VIC which receives the second highest number of out of state enquiries is ranked 5<sup>th</sup> (out of the 8 VICs) in terms of costs. It is also noted that this location is opened on a seasonal basis and not all year round. Another seasonal VIC which is ranked 3<sup>rd</sup> in terms of the number of out of state enquiries is ranked 6<sup>th</sup> (out of the 8 VICs) in terms of costs.

<p><b>b) Implication-</b> While the decisions made at the time of setting the rates have resulted in cost savings, there may opportunities for further efficiencies if the analysis within the internal report is further developed and considered.</p>
<p><b>c) Priority Rating- 2</b></p>
<p><b>d) Recommendation-</b> It is recommended that further analysis of the actual VIC costs, cost apportionment and seasonality opening should be reviewed to ensure a consistent approach to apportioning costs is applied across all VICs, and to assess if there is scope for further rationalisation and/or efficiencies in service delivery through extending the periods of seasonal opening.</p>
<p><b>e) Management Response-Review the provision of VIC services as recommended in the report</b></p>
<p><b>f) Responsible Officer &amp; Implementation Date- DMO and VSO with oversight from HOS – January 2024</b></p>

**5.2 Risk 2 – There may be insufficient controls in place in relation to the receipt and recording of income leading to an increased risk of loss of income to the Council due to misappropriation or errors.**

### Issue 2 – Cash Handling Procedures

**a) Observation-**

A Cash Handling Procedures document was implemented following the previous audit in March 2019. This was last updated in March 2023 and covers:

- Cash Floats
- Reception Transactions
- Daily Reconciliation.
- Errors
- Lodgements

It is noted that the daily reconciliation section is brief, and it does not refer to the need for a cash count as part of the daily checks/reconciliation process i.e., counting cash in the till at the end of each day and reconciling this with the X readings, till float and cash/card sheets. It also does not make reference to the recording and evidencing of this daily check.

**b) Implication-**

Staff may not be following consistent processes regarding end of day procedures if the guidelines are not sufficiently detailed and clear. Steps in the process may be missed, and information may be recorded differently by staff, making it more likely mistakes are made and/or discrepancies missed.



<b>c) Priority Rating- 3</b>
<b>d) Recommendation-</b> It is recommended that the daily reconciliation section of the Cash Handling Procedure Manual is reviewed and expanded upon to include procedures on counting cash at the end of the day and agreeing this to the X reading reports. It should also clearly detail how these checks should be recorded to ensure consistencies between staff members and across VIC sites.
<b>e) Management Response- Recommendations identified within the report will be implemented.</b>
<b>f) Responsible Officer &amp; Implementation Date- AVSO with oversight from VSO – September 2023</b>

### Issue 3 – Adequate training of staff who handle income & bookings

#### **a) Observation –**

New staff/agency staff complete induction trainings, mostly held with the AVSO. This includes areas such as: cash handling procedures, fire safety, code of conduct, staff handbook, ICT requirements, visitor services inductions. Ad hoc trainings then take place as and when a requirement/gap in knowledge arises on a case-by-case basis. It was observed that on one occasion in the 2022/2023 year, an ad hoc training was noted on the lodgement summary sheet at the front of the income folder. However, recording of such trainings are not consistent and so no formal record of trainings completed is maintained.

#### **b) Implication –**

There may be trends in the trainings needed for staff that are not being picked up on or common areas a number of staff are finding difficult. Without recording when ad hoc trainings take place, who attended, or what was covered, it is difficult to keep track of this and common themes for future trainings may be missed. This also makes it more difficult to track the frequency trainings are occurring.

#### **c) Priority Rating – 3**

#### **d) Recommendation –**

It is recommended that a brief formal record of trainings is maintained – an excel spreadsheet perhaps, noting down a short sentence on what was covered, who it was delivered to and by who, the date, and signed by AVSO. It may also be more efficient to hold group training sessions rather than solely one to one if there are a number of staff with similar gaps in their knowledge. Again, introducing a way to track this information will make this easier to plan.

**e) Management Response – Will formalise and action as suggested. Group training can be difficult due to various start dates however it will be considered for refresher training.**

**f) Responsible Officer & Implementation Date – AVSO with oversight from VSO – September 2023**

#### Issue 4 – Till reconciliations

**a) Observation –**

At the end of each day, the total cash and card sales for the day are toted up and details of totals are handwritten onto a template by the person operating the till that day. An X reading is generated from the till and agreed to the handwritten template. This information is also input onto an income recording Excel spreadsheet. It was noted that a formalised record of this end of day check/reconciliation is not recorded on the sheets. A record of reconciliation is only noted on the sheets when a lodgement is made – the total cash and card sales are added up and agreed to the till Z reading report at that time.

**b) Implication –**

Without a written record showing the end of day checks/reconciliations have been completed, it increases the risk that this is not being performed by all staff. There is also a risk that daily discrepancies may go unnoticed or are difficult to resolve. As the lodgement reconciliation may be weekly it is then more difficult to know which day any discrepancy observed at the time of lodgement reconciliation relates to.

**c) Priority Rating – 2**

**d) Recommendation –**

It is recommended that a note of the daily checks/reconciliations are recorded and initialled on the daily cash/card sheets and a standard format agreed for what should be noted. This should include – the tot of the day's cash/card sales, the total of the X reading, total cash counted, and a note to show it agrees or any discrepancies have been investigated or rectified.

**e) Management Response – - Recommendations identified within the report will be implemented.**

**f) Responsible Officer & Implementation Date – AVSO with oversight from VSO – September 2023.**

**Issue 5 – Surprise cash counts**

**a) Observation –**

As per the cash handling procedures, it is noted that regular spot checks are expected to be carried out by the AVSO. While it was confirmed by the AVSO that these do take place, no formal record is maintained of these.

**b) Implication –**

Without recording spot checks, it makes it more difficult to track how often they are taking place and a lack of audit trail to evidence the checks performed. A lack of spot check records also makes it difficult to keep track of any issues or trends arising.

**c) Priority Rating – 3**

**d) Recommendation –**

It is recommended that a tracker is maintained for all spot checks that take place. This should note the date, who carried it out, the staff member/members working at the till that day, the check completed (cash counted in till, agreed to X readings, cash/card sheets, and agreed to income spreadsheet) and any issues that arise. This should be reviewed regularly, especially where there are discrepancies, to ensure they are dealt with appropriately. For example, training on cash handling may be needed or more regular spot checks required.

**e) Management Response – Will formalise and ensure a record is kept.**

**f) Responsible Officer & Implementation Date – AVSO July 2023**

**5.3 Risk 3 – There may be inadequate controls over the security of cash leading to potential theft or misappropriation and loss of income to the Council securely held and regularly checked.**

**Issue 6 – Lodgements of cash**

**a) Observation –**

It is noted in the Cash Handling Procedures document that lodgements should be made when total cash sales reach £100. However, it was found during testing that:

- In Ballycastle, for 6 of the 10 lodgements tested, the cash total was over £100 when lodgements were made.
- In Bushmills, for 4 of the 5 lodgements tested, the cash total was over £100 when lodgements were made.

We verified the insurance limits for a cash on site for the 2 centres we visited and performed sample testing at

- £1,000 for Ballycastle and
- £500 for Bushmills.

These limits were not breached in any period tested.

**b) Implication –**

If the cash limit for lodgements per the documented policies and procedures is low there is a greater risk that staff breach these limits, leaving them in non-compliance, even though the limit is not in line with the insurance limits. There is also a risk of more frequent lodgements than necessary leading to possible inefficient use of staff time.

**c) Priority Rating – 3**

**d) Recommendation –**

It is recommended that the £100 cash threshold triggering lodgement is currently outlined in the cash handling procedures document is reviewed. Any change should then be communicated to all staff and monitored by the AVSO/VSO. If it is agreed that the £100 limit is realistic, then communication/training with staff is required to ensure this is adhered to and again, this should be monitored by the AVSO/VSO.

**e) Management Response – Cash threshold triggering lodgement will be changed to £500 cash.**

**f) Responsible Officer & Implementation Date – AVSO with oversight from VSO July 2023**

- 5.4 Risk 4 - Stock of crafts and artisan products may not be appropriately managed leading to a risk of misappropriation of stock and/or inaccurate payments to suppliers.

**Issue 7 – Stock counts**

**a) Observation –**

Stock counts should be completed annually by staff at each centre. We reviewed the documentation maintained for the most recent stock counts at the 2 VICs visited. It was noted that the last stock count with documentation saved on the system was for March 2021. However, this did not show the actual figures counted, any discrepancies, or who completed it. It is also noted there was no documentation to show a count had taken place in March 2022. The stock count for March 2023 was still ongoing at the time of our visit to Ballycastle and Bushmills in May 2023. We were advised that it is difficult to perform full stock counts due to resourcing constraints.

**b) Implication –**

Without regular stock counts being performed, and documentation maintained, there is a risk that stock levels recorded on the stock sheets are inaccurate. This also increases the risk that stolen stock goes unnoticed.

**c) Priority Rating – 3**

**d) Recommendation –**

It is recommended that stock counts are performed annually, with a clear record maintained of what the quantities were per the stock sheet, what was counted, who performed the count, and then signed off by AVSO/VSO.

**e) Management Response – Will complete as recommended in the report.**

**f) Responsible Officer & Implementation Date – AVSO / VSO end of March 2024**

## Appendix A – Assurance Ratings

The framework for audit assurance is set out in DAO 07/16 and summarised below:

Level of Assurance	Definition
Satisfactory	<b>Evaluation opinion:</b> Overall there is a satisfactory system of governance, risk management and control. While there may be some residual risk identified, this should not significantly impact on the achievement of the system objectives.
Limited	<b>Evaluation Opinion:</b> There are significant weaknesses within the governance, risk management and control framework which, if not addressed, could lead to system objectives not being achieved.
Unacceptable	<b>Evaluation opinion:</b> The system of governance, risk management and control has failed or there is a real and substantial risk that the system will fail to meet its objectives.

The priority ratings are also set out in DAO 07/16. They are intended as guidance to help prioritise the impact and implementation of each finding identified, and recommendation made:

### Key:

Priority	Corresponding level	Definitions
1	High	Failure to implement the recommendation is likely to result in a major failure of a key organisational objective, significant damage to the reputation of the organisation or the misuse of public funds.
2	Medium	Failure to implement the recommendation could result in the failure of an important organisational objective or could have some impact on a key organisational objective.
3	Low	Failure to implement could lead to an increased risk exposure.

**Appendix B – Summary of Controls Reviewed**

Risk	Key Areas & Controls Tested
There may be ineffective management of the VIC provision resulting in a risk of unnecessary costs to Council	<ul style="list-style-type: none"> <li>• There is a budget for running the VIC service.</li> <li>• Actual costs of running the VIC service are monitored against the budget on a regular basis.</li> <li>• Statistics are retained on visitor numbers, income, services provided etc and reviewed periodically.</li> <li>• Decisions relating to the operation of the VIC service are based on accurate and appropriate data and information.</li> <li>• Decisions are made in a timely manner and following appropriate consideration by Management, Director and Committee where appropriate</li> </ul>
There may be insufficient controls in place in relation to the receipt and recording of income leading to an increased risk of loss of income to the Council due to misappropriation or errors.	<ul style="list-style-type: none"> <li>• Income handling procedures are in place to provide guidance to staff collecting payments for sales and bookings.</li> <li>• Adequate training is provided to staff who handle income &amp; bookings.</li> <li>• A separate float is held for each till which is counted and verified before each shift.</li> <li>• Till reconciliation is performed at the end of each shift</li> <li>• Receipts are produced and issued for every transaction All till discrepancies are fully investigated and records maintained.</li> <li>• Tills are restricted to one cashier/user or have individual user logins where operated by more than one staff member</li> <li>• End of day till reports are generated and reconciled to cash in till - Z readings agreed to takings.</li> <li>• All voids/ cancelled till transactions are supported by appropriate documentation.</li> <li>• There is adequate completion of daily/ weekly cash sales sheets.</li> <li>• Reconciliation of online bookings takes place regularly.</li> <li>• There is a process to ensure timely payment of booking income to local businesses.</li> <li>• There is adequate Manager/ Supervisor oversight over the reconciliation process and evidence of this.</li> <li>• Where possible, separation of duties exists between staff responsible for income collection and staff with responsibility for reconciling income received to the bank.</li> <li>• Surprise cash counts are performed periodically.</li> </ul>
There may be inadequate controls over the security of cash leading to potential theft or misappropriation and loss of income to the Council securely held and regularly checked.	<ul style="list-style-type: none"> <li>• Monies are held securely in a safe which is in an appropriate location.</li> <li>• There are adequate access control arrangements to the safe</li> <li>• Where a large build-up of cash occurs, takings are removed from the till and held securely in the safe</li> <li>• Lodgements are made regularly and promptly.</li> <li>• Adequate insurance is in place to cover cash held on the premises until lodged and cash held does not exceed the amount insured.</li> </ul>
Stock of crafts and artisan products may not be appropriately managed leading to a risk of misappropriation of stock and/or inaccurate payments to suppliers.	<ul style="list-style-type: none"> <li>• Appropriate stock records are maintained of goods for sale (type, number, cost etc).</li> <li>• Stock purchases are recorded in a timely manner in the stock record.</li> <li>• Stock sales are linked to the stock records or regularly recorded within the stock records.</li> <li>• Stock sales commissions are calculated regularly.</li> <li>• Stock counts and checks occur and are documented.</li> </ul>

## Appendix C - Limitations and responsibilities

### Limitations inherent to the internal auditor's work

We have undertaken this review subject to the limitations outlined below:

#### Internal control

Internal control systems, no matter how well designed and operated, are affected by inherent limitations. These include the possibility of poor judgement in decision-making, human error, control processes being deliberately circumvented by employees and others, management overriding controls and the occurrence of unforeseeable circumstances.

#### Future Periods

Our assessment of controls is for the period specified only. Historic evaluation of effectiveness is not relevant to future periods due to the risk that:

- The design of controls may become inadequate; or
- The degree of compliance with policies and procedures may deteriorate.

### Responsibilities of management and internal auditors

It is management's responsibility to develop and maintain sound systems of risk management, internal control and governance and for the prevention and detection of irregularities and fraud. Internal audit work should not be seen as a substitute for management's responsibilities for the design and operation of these systems.

We endeavour to plan our work so that we have a reasonable expectation of detecting significant control weaknesses and, if detected, we carry out additional work directed towards identification of consequent fraud or other irregularities. However, internal audit procedures alone, even when carried out with due professional care, do not guarantee that fraud will be detected.

Accordingly, our examinations as internal auditors should not be relied upon solely to disclose fraud, defalcations or other irregularities which may exist.



