



INTERNAL AUDIT REPORT



CORPORATE SERVICES

Information Classification: Level 3 Restricted

Market Operations Audit Report

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Issued by

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Internal Audit is an assurance function that provides an independent and objective opinion to the Council on the control environment, by evaluating its effectiveness in achieving the organisation's objectives. It objectively examines, evaluates and reports on the adequacy of the control environment as a contribution to the proper, economic, efficient and effective use of resources. (CIPFA Code of Practice for Internal Audit in Local Government 2006)

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Contents		Distribution <i>(Note: Other than in exceptional circumstances, Internal Audit issue reports in electronic format)</i>
	Page	<u>To:</u> (for action)
1.	Background	2 Tony Harvey - Services Manager, Facilities Management
2.	Audit Opinion	3 Steve Morris - Markets Manager
3.	Executive Summary	4
4.	Findings, Recommendations & agreed Action Plan	5
	Appendix A - summary of traders accounts requiring clarification	
	Appendix B - detailed allegations and findings	
		cc (for information)
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1. Background

Introduction

As a result of allegations made by a former member of Markets staff, the Services Manager, Facilities Management requested that Internal Audit undertake an investigation into the Markets management decision making processes for both financial and commercial transactions. To facilitate the above investigation a decision was taken by Internal Audit management to undertake an audit review. It was considered that this would enable a sound knowledge of the systems to be gained prior to completing the investigative work.

Although the corporate financial impact of the system is of medium risk in contrast the reputational risk associated with such a high profile establishment and function should be considered as high.

Audit Objectives and Scope

The objectives of the investigation were to provide an independent opinion on the allegations levelled at the Markets manager in respect of both the decision making process and the propriety of both financial and commercial records in existence at the Markets office.(Findings itemised below at 4.1 page 5)

The objectives of the audit review were to provide an independent opinion on how effectively the following risks were managed:

- Licenses issued for traders of St Nicholas Market, including farmer and street markets
- income collection, recording and banking
- individual traders accounts on MACCS and
- reconciliation of MACCS with CFS

(Findings itemised below at 4.2 page 15)

The following areas were not included in the audit and may be subject to a separate review at a later date, Harbourside, Broadmead and the Christmas markets. In addition the review also excluded financial areas such as budget monitoring, purchasing, payroll and inventory.

Audit Approach

A risk-based approach was taken for the audit review, involving documenting and evaluating the effectiveness of internal controls and governance in managing the identified risks.

The investigation into the specific allegations made against the Markets manager was based on extracting and reviewing all the documents that would support the decisions that were made by the Markets manager in respect of each individual case. In addition, discussions were held with the Markets manager in order to ascertain if his decisions were based on sound business and financial knowledge and taken in the best interests of Bristol City Council.

2. Audit Opinion

The investigation concluded that the opinion appropriate to the audit review was that of 'poor'. The internal control and governance is weak and management can place no reliance on it. This leaves the system open to significant risk, error or abuse. The medium financial impact and high reputational profile combined with a "poor" audit opinion has resulted in a corporate impact assessment of "of concern".

It was difficult to form an opinion in respect of the allegations as many of the documents that were requested were not made available at the time the review was undertaken. A schedule listing all the issues that remain unresolved and that require action has been compiled and is attached at Appendix B.

It is considered that there was a lack of urgency and willingness from Markets staff to quickly resolve all issues that were brought to their attention. There was also a failure to exhibit ownership of errors that contributed to the poor manual and electronic recording of financial and commercial transactions. This may, however, in some respect be due to the current workloads of some members of staff, the recent Business Change process and also to the perceived tension among staff members that currently exists.

		Corporate Impact		
		Low	Medium	High
Audit Opinion	Poor	Moderate	Of Concern	
	Needs Improvement	Moderate	Of Concern	Of Concern
	Satisfactory	Minimal	Moderate	Moderate
	Good	Minimal	Minimal	Moderate
	Very Good	Minimal	Minimal	Moderate

3. Executive Summary

- The document retention processes and the procedures for recording both financial and commercial decisions are very weak. Such procedures resulted in an inability of management to provide audit with sufficient documentary evidence to form an opinion on the soundness and strength of the allegations or otherwise.
- A more structured approach to management decision making and retention of documents that support those decisions needs to be implemented with immediate effect.
- The integrity and transparency of the management decision making process would be considerably enhanced by a more formal approach to document retention and the introduction of a monthly management meeting at which decisions both commercial and financial that have a potential impact on either the income received from traders or on the reputation of Bristol City Council , are discussed, minuted and authorised prior to implementation.
- In order to negate the risks caused by using the Standing Order method of payment a pro active approach was adopted by Internal Audit. A series of meetings were arranged between the Markets Manager and the Recovery Team Leader STS to, firstly, resolve the existing issues and secondly to introduce a cashless system for market traders by April 2013.
- The allegations made and the problems identified at the audit highlighted serious failings with the transparency of both the commercial and financial decision making processes. The outstanding queries are in need of urgent attention and resolution and the expertise to carry out the appropriate tasks do not currently exist among Markets staff.
- It is imperative, therefore, that a senior financial officer is allocated the task of resolving the queries with immediate effect. It is recommended that prior to undertaking any such project the appointee arranges a meeting with Internal Audit to discuss and fully understand the problems that have arisen and the resolutions required.

4. Detailed Findings, Recommendations and Agreed Action Plan

We have recorded our findings below and allocated a priority rating for each of the recommendations made. The findings have been discussed with the Service Manager, Facilities Management and his comments and agreed action incorporated into the final column.

Ref.	Matters Arising	Risk/Potential Consequence	Priority	Proposed Recommendations	Management Comments, Responsible Officer & Due Date
4.1 Matters arising from the investigation of specific issues and allegations.					
1	<p>There are problems with the transparency and accountability regarding the decision making process. The following ad hoc decisions were made by the Markets manager but were mostly not evidenced by supporting documentation.</p> <ul style="list-style-type: none"> - not to increase the annual charges for the financial year 2011/2. - reductions in payments for specified periods for certain market traders - payment holidays for new and existing traders. <p>Express delegated authority was relied upon for the Markets Manager to make the above decisions but no evidence of</p>	<p>Loss of Income to the City Council.</p> <p>With traders being treated differently and a lack of transparency the potential for reputational damage exists.</p>	H	<p>The schemes of delegation should be made clear and transparent.</p> <p>To avoid future allegations of a similar nature to those currently being investigated the following controls should be introduced and implemented with immediate effect</p> <ul style="list-style-type: none"> - There should be monthly 	<p>Agreed</p> <p>Markets Service schedule of delegations will be prepared and communicated to the Market Manager.</p> <p>Responsible Officer Service Manager, Facilities Management</p> <p>Implementation time December 2012</p> <p>Monthly Markets Service meetings scheduled in diary with Service Manager Facilities Management and Markets Service Manager on a regular basis from December 2012 onwards.</p>

Ref.	Matters Arising	Risk/Potential Consequence	Priority	Proposed Recommendations	Management Comments, Responsible Officer & Due Date
	such authority was produced at the review.			<p>management meetings at which ad hoc decisions that effect income are discussed and verified.</p> <ul style="list-style-type: none"> - The meetings should be minuted. - All decisions that could effect the income stream should be supported by documentation evidence. - These documents should be retained on file. <p>All annual increases should be the subject of management approval with the revised charges being "signed off" by the responsible officer.</p>	<p>Minutes from meetings will be produced with documentation supporting decisions attached in pdf format.</p> <p>Minutes and supporting documents will be retained in a file on S drive.</p> <p>Annual increase in charges will be subject to Markets Service schedule of delegations and will be incorporated into relevant monthly meeting. All documents supporting decisions made on charges will be retained in file on S drive</p> <p>Implementation Time December 2012</p> <p>Responsible Officer Service Manager, Facilities Management Markets Manager</p>

Ref.	Matters Arising	Risk/Potential Consequence	Priority	Proposed Recommendations	Management Comments, Responsible Officer & Due Date
2	<p>Reference to item 1 above , specific allegations were made by the whistleblower in relation to traders either:</p> <ul style="list-style-type: none"> - receiving discounts - outstanding arrears being allowed to accumulate without follow up or - "holiday payment periods" being given <p>See Appendix A for a summary of specific cases and whether resolved.</p> <p>In addition to the above reference was made to write off's being processed on the MACCS which were not in accordance with the BCC Financial Regulations.</p> <p>Other Traders accounts were identified in the review as being in need of further clarification and documentary evidence to support decisions made was requested of the Markets manager.</p>	<p>Loss of Income.</p> <p>Delay in receipt of Income.</p> <p>Reputational damage when being perceived to be favouring specific traders.</p> <p>Reputational damage through a lack of transparency in dealing with some traders.</p> <p>There is currently a lack of resources and expertise within the Markets operation to resolve all the outstanding issues.</p> <p>Potential remains for similar allegations to arise in the future.</p>	H	<p>To enable accurate and urgent resolution of all outstanding issues. It will be necessary for additional staffing resources, with appropriate expertise, to be allocated to the Markets operation in the short term.</p> <p>It is advisable that the member of staff given this task should meet with audit prior to commencement of any work .</p> <p>Robust financial and operational monitoring systems need to be implemented as soon as possible to include:</p> <ul style="list-style-type: none"> - specified minimum requirements for completion and retention of documentation processed in support of ad hoc decisions that effect the income stream and - a robust reporting regime to provide an audit trail ie monthly minuted management meetings. 	<p>Agreed</p> <p>Corporate Services Management accountant has been engaged to assist the Markets Manager with the establishment of a robust financial and operational monitoring system.</p> <p>Meeting with Internal Audit has been held on 14th November 2012.</p> <p>Detailed Markets Service schedule of delegations will address this issue</p>

Ref.	Matters Arising	Risk/Potential Consequence	Priority	Proposed Recommendations	Management Comments, Responsible Officer & Due Date
	<i>See Appendix A for details.</i>			<p>The potential for MACCS to fully integrate with the new Agresso accounting system should be fully considered.</p> <p>All adjustments on the MACCS should be supported by a meaningful narrative.</p> <p>A monthly report should be established that identifies all adjustments made during the period. This report should be reviewed by the Markets manager and evidenced as such.</p>	<p>Agresso IBOS Irregular payments module will be considered within the Markets Service -January 2013</p> <p>Responsible Officer Markets Manager</p> <p>Instruction on how to record MACCS adjustments will be issued to Market Service Manager and cascaded to Market Officers. Implementation Time December 2012</p> <p>Responsible Officer: Corporate Services Management Accountant</p> <p>Monthly MACCS report to be presented at Monthly Markets Service meetings scheduled in diary with Service Manager Facilities Management and Markets Service Manager - Implementation Time December 2012</p> <p>Responsible Officer Markets Manager</p>

Ref.	Matters Arising	Risk/Potential Consequence	Priority	Proposed Recommendations	Management Comments, Responsible Officer & Due Date
3	<p>The lack of robust financial monitoring and reporting systems has resulted in the CFS system not accurately reflecting outstanding balances on traders accounts.</p> <p>This arose because Standing Order payments were not being monitored by Markets staff and caused by either:</p> <ul style="list-style-type: none"> - not raising the debit - insufficient detail being recorded on invoices leading to misallocation of income - the late raising of invoices or - traders not setting up Standing Orders <p>The collection of arrears for accounts with Standing Orders on CFS were suppressed by Markets staff but no attempt was made to rectify the incorrect balances.</p>	<p>Delay in recovery action .</p> <p>The potential to refund any credit balances.</p>	H	<p>This was treated as a matter of urgency, a pro-active approach was adopted, meetings held between members of Audit, the Recovery Team manager STS and the Markets manager and the following action already agreed:</p> <ul style="list-style-type: none"> - A list of traders paying by Standing Order and with incorrect outstanding balances on their accounts was provided to the Recovery Team Manager STS by audit. The Recovery Manager agreed that her staff will review each individual case and make any adjustments to CFS that are necessary to ensure that the system accurately reflects the status of each of the accounts. - There have also been meetings arranged between the Recovery Manager and the Markets Manager with a view to introducing a cashless system with emphasis being placed on Direct Debit method of payment. It is targeted that 	<p>Agreed</p> <p>Facilities Management Service Manager to meet with Income recovery manager and CS management accountant to address this issue -November 2012</p> <p>Implementation Time for traders' balances on CFS</p> <p>March 2013 prior to implementation Agresso</p> <p>Responsible Officer Markets Manager</p> <p>Corporate Services Management accountant</p> <p>The Agresso IBOS system will be implemented and the payment plan option utilised- April 2013.</p>

Ref.	Matters Arising	Risk/Potential Consequence	Priority	Proposed Recommendations	Management Comments, Responsible Officer & Due Date
				<p>this will become operational prior to implementation of the new financial system in April 2013.</p> <p>In the short term, subsequent to any changes being made by STS, all accounts that are paid by SO should no longer be suppressed by Markets staff and be subject to the routine recovery procedures undertaken within STS.</p> <p>It was agreed that the Recovery manager would provide the Markets Manager with the account details that are required to be included on any future invoices raised to enable an accurate allocation of income.</p> <p>When the cashless system is introduced the Recovery Manager will provide the Markets Manager with a monthly report listing all accounts in arrears.</p> <p>In the short term, subsequent to resolution of all outstanding SO queries, the markets staff</p>	<p>Customer debtor reference number to be included on future invoices and direct debit instructions - December 2012</p> <p>A monthly STS arrears report be included in Monthly Markets Service meetings scheduled in diary with Service Manager Facilities Management and Markets Service Manager</p>

Ref.	Matters Arising	Risk/Potential Consequence	Priority	Proposed Recommendations	Management Comments, Responsible Officer & Due Date
				<p>should, on a monthly basis, examine CFS for SO payments with specific attention being given to accounts in credit.</p> <p>All new license agreements should include the requirement for payments to be made by Direct Debit.</p>	<p>Markets Officer scheduled task in schedule of delegations</p> <p>Implementation Time: December 2012</p> <p>Responsible Officer Markets Officer</p> <p>Application forms and license agreements have been updated with direct debit requirement or other electronic payment method- November 2012</p>
4	<p>No reliance can be placed upon the integrity of the detail recorded on the MACCS (The market cash recording system).</p> <p>The system is not being fully utilised.</p> <p>Adjustments are made on the system but are rarely supported by a meaningful narrative.</p>	<p>No reliance on the integrity of the system</p> <p>Poor management information leading to poor decision making.</p>	H	<p>The MACCS system is in need of housekeeping, each account needs to be reviewed and adjusted to reflect its true and accurate status.</p> <p>All adjustments should be supported by a meaningful narrative detailing the reason for the adjustment.</p> <p>Training on the MACCS needs to be given to Markets staff in order that the system</p>	<p>Agreed</p> <p>Markets Officer supported by CS Management accountant following KPR software provider training - December 2012</p> <p>Markets Officer scheduled task in schedule of delegations - December 2012</p>

Ref.	Matters Arising	Risk/Potential Consequence	Priority	Proposed Recommendations	Management Comments, Responsible Officer & Due Date
				<p>is used to its full potential. This would also enhance the management decision making process.</p> <p>A monthly report of all adjustments processed during the period should be extracted. This report should be reviewed by the Markets manager and evidenced as such. The report should form part of the agenda for the recommended monthly management meetings.</p>	<p>Training to be arranged with KPR software provider - December 2012</p> <p>Responsible Officer Markets Officer</p> <p>Markets Officer scheduled task in schedule of delegations from December 2012</p> <p>Monthly Markets Service meetings scheduled in diary with Service Manager Facilities Management and Markets Service Manager from December 2012</p>
5	<p>Income available from the Councils Market Charter Rights is not maximised. There is a lack of marketing and advertising on behalf of the Markets Team.</p> <p>There is a lack of control over the income that is currently received from sites that are operating under these Rights</p>	Loss of income	M	<p>The Markets website needs to be upgraded to raise the profile of Market Rights with a view to maximising this income stream.</p> <p>An increase in the number of visits to sites that are currently operating under these Rights should be undertaken by Markets staff. This would enhance control and enable income received to be reconciled and verified.</p>	<p>Agreed</p> <p>Markets Officer scheduled task in schedule of delegations</p> <p>Implementation Time</p> <p>December 2012</p> <p>Responsible Officer</p> <p>Markets Manager Markets Officer</p>

Ref.	Matters Arising	Risk/Potential Consequence	Priority	Proposed Recommendations	Management Comments, Responsible Officer & Due Date
6	There is no effective management of unoccupied stalls.	Loss of income	M	<p>A monthly report should be established that identifies vacant stalls and the period for which they have been vacant.</p> <p>The report should be reviewed by the Markets manager and evidenced as such and form part of the agenda for the recommended monthly management meetings.</p>	<p>Agreed Markets Officer scheduled task in schedule of delegations</p> <p>Monthly vacant stalls report to be presented at Monthly Markets Service meetings scheduled in diary with Service Manager Facilities Management and Markets Service Manager -</p> <p>Implementation Time December 2012</p> <p>Responsible Officer Markets Manager Markets Officer</p>
4.2 Matters arising from the audit review not already covered by the above report					
7	A regular assessment of risks and how they are managed in Market Operations may have helped to prevent some of the problems and issues that have arisen and are discussed in this report.	Failure to manage risks in the Markets service.	H	Following the development of an adequate control framework for the Markets service, the risks and the controls should be documented. Internal Audit are happy to assist with this work	<p>Agreed</p> <p>Risk assessment to be developed with Internal Audit by Market Services Manager</p> <p>Implementation Time January 2013</p>

Ref.	Matters Arising	Risk/Potential Consequence	Priority	Proposed Recommendations	Management Comments, Responsible Officer & Due Date
8	Many trader accounts on both the MACCS system and the Debtors System are showing incorrect balances, some traders have not been charged for their stall, or incorrectly charged. It is felt that Market staff require some assistance to resolve these issues and to move forward.	Loss of income. Reputational damage.	H	<p>Management should ensure that traders' balances are correct and up to date.</p> <p>It is recommended that an officer with accounting knowledge is allocated to help Market staff in resolving the problems.</p> <p>It is advised that this person meets with Audit prior to commencing work on Markets.</p>	<p>Agreed</p> <p>Markets Officer scheduled task in schedule of delegations</p> <p>Corporate Services Management accountant has been engaged and has met with Internal Audit on 14th November 2012.</p> <p>Implementation time for correction of traders' balances March 2013</p> <p>Responsible Officer Markets Manager</p> <p>Corporate Services Management accountant</p> <p>Markets Officer</p>
9	The Markets do not have a Charging Policy that specifies charges for all services provided to the traders.	<p>Loss of income.</p> <p>Failure to respond to economic changes.</p> <p>Lack of transparency.</p> <p>Complaints of inequity by traders.</p>	H	A Charging Policy should be established, reviewed and authorised annually by appropriate Responsible Officer in accordance with Scheme of Delegation.	<p>Agreed and implemented</p> <p>Charging policy produced - November 2012- will be reviewed and authorised annually by appropriate Responsible Officer in accordance with Scheme of Delegation.</p>

Ref.	Matters Arising	Risk/Potential Consequence	Priority	Proposed Recommendations	Management Comments, Responsible Officer & Due Date
10	<p>23rd June 1999 the former Finance and Property Services Joint Sub Committee agreed that Licence Fees are to be increased each year in line with the RPI.</p> <p>There was no RPI increase applied to the Licence Fees in 2011-12.</p> <p>The fees for 2011/12 and 12/13 cannot be substantiated by reference to the documentation provided.</p>	<p>Loss of income.</p> <p>Failure to respond to economic changes.</p> <p>Lack of transparency.</p> <p>Complaints of inequity by traders.</p>	H	<p>Licence Fees' calculation should be checked and approved by the Management annually prior to implementation.</p>	<p>Agreed</p> <p>License fees calculations will be subject to schedule of delegations, will be incorporated into appropriate monthly meeting and all documents retained in file on appropriate drive - December 2012</p> <p>Charging policy produced - November 2012- will be reviewed and authorised annually by appropriate Responsible Officer in accordance with Scheme of Delegation.</p>
11	<p>Details of traders' Public Liability Insurance are not kept up to date.</p>	<p>Traders may not be adequately insured and BCC may incur liability for public harm caused by an uninsured trader operating on BCC premises.</p>	H	<p>The details of traders' public liability insurance should be kept up to date.</p> <p>Traders should be notified when their liability insurance is about to expire.</p>	<p>Agreed</p> <p>Market Officers scheduled task - November 2012</p> <p>Implementation Time December 2012</p> <p>Responsible Officer Markets Officer</p>

Ref.	Matters Arising	Risk/Potential Consequence	Priority	Proposed Recommendations	Management Comments, Responsible Officer & Due Date
12	<p>In respect of Traders who pay their fees via the cash collection service, the Corporate Financial Accounting System only records the income collected in respect of Markets and concessions, it does not record the debit and any arrears.</p> <p>There is no interface between the MACCS accounting system and the Corporate Financial Accounting System.</p>	Inaccurate accounting.	M	With the implementation of the new Agresso system, the possibility of transferring the debit to the accounting system and accurately reporting arrears in the Corporate Accounting system should be explored.	<p>Agreed Agresso IBOS Irregular payments module will be considered within the Markets Service in January 2013</p> <p>Facilities Management Service Manager to meet with Income recovery manager and CS management accountant to investigate options and time scale.</p> <p>Implementation Time December 2012</p>
13	<p>Market staff let concessions (ie Ice cream pitches) for City Council owned parks. It is unclear why this is done by Markets staff.</p> <p>The value of some of these concessions are > £10k however they were not let through the PTB system.</p>	<p>Non compliance with Procurement Regulations</p> <p>Best expertise in procurement not being utilised.</p> <p>Increase risk of fraud.</p>	M	Consideration should be given as to whether this is the best approach for the letting of Parks Concessions, or whether there are already areas of NH&CD with expertise to work with procurement Team on letting concessions. Letting of concessions over £10k should be done through the PTB system.	<p>Agreed This issue will be reviewed by Facilities Management Service Manager and Markets Service manager with decision to be reported to Internal Audit</p> <p>Implementation Time December 2012</p>

Ref.	Matters Arising	Risk/Potential Consequence	Priority	Proposed Recommendations	Management Comments, Responsible Officer & Due Date
14	The MACCS system does not recognise different fees for Farmer Market traders, which results in manual overriding of downloaded information on the MACCS hand set, which is used for recording fees paid by the traders.	Incorrect Income recording. No reliance on integrity of the system. Potential for fraud/misappropriation.	M	The configuration of the MAACS should be reviewed to address the problem with the farmer market fees, seeking assistance from the software provider as required.	Agree and implemented Friday food market issue has now been addressed - November 2012
15	Income collected and recorded on the MACCS is not equal to banked income recorded on the CFS accounting system for the reviewed period from 12/04/12 to 05/07/12, for example , total income recorded on the MACCS was £66606.70 compared to £64129.42 on the CFS.	Income may not be banked intact. Potential loss of income. Fraud/theft is not detected.	M	Income collected and recorded on the MACCS is reconciled on a weekly basis to the income banked as per the CFS Financial Management System (and its future replacement). This should be carried out by Financial Management.	Agreed with immediate effect Corporate Services Management accountant engaged to clarify a reconciliation requirement and monitor that reconciliation take place. Implementation Time November 2012 Responsible Officer Corporate Services Management accountant Markets Officer
16	The MACCS system has not been reconciled to CFS Accounts Receivable since March - April 2009.	Loss of income. Reputational damage of seeking recovery for false arrears.	M	The MACCS arrears report should be reconciled to CFS Accounts Receivable from March - April 2009 to current time.	Agreed CS Management accountant engaged to help with reconciliation

Ref.	Matters Arising	Risk/Potential Consequence	Priority	Proposed Recommendations	Management Comments, Responsible Officer & Due Date
	The MACCS' arrears report does not reflect the true situation of trader's accounts.	No reliance on integrity of the system.		All traders' adjustments should be fully documented and authorised in accordance with the departmental scheme of delegation. All documentation should be retained as evidence.	<p>Further Audit Comment The MACCS reconciliation should be completed prior to implementation of Agresso IBOS Irregular payments module.</p> <p>Ad hoc adjustments will be task on schedule of delegations-</p> <p>All documentation will be retained - Implementation Time December 2012</p> <p>Responsible Officer: Markets Manager Markets Officer</p>
17	The decision to increase car park fees for both Welsh Back and Bridge Street car parks from 30 April has not yet been implemented.	Loss of potential income.	M	The increase should be implemented with immediate effect.	<p>Agreed and implemented</p> <p>Letter issued to traders with 28 days notice- new fees in force on 1st January 2013</p>

Ref.	Matters Arising	Risk/Potential Consequence	Priority	Proposed Recommendations	Management Comments, Responsible Officer & Due Date
18	Some traders use electricity in addition to that included in their stall fees. These additional electricity charges are not communicated to the traders in writing.	Dissatisfaction among traders.	M	All charges should be documented and communicated to traders in writing.	<p>Agreed</p> <p>Charging policy produced - November 2012- will be reviewed and authorised annually by appropriate Responsible Officer in accordance with Scheme of Delegation.</p> <p>Implementation Time November 2012 -March 2013</p> <p>Responsible Officer Markets Officer Service Manager, Facilities Management</p>
19	Market Staff do not utilise Internet for promotion of vacant stalls. St Nicholas Market Internet page is not up to date in respect of the application process.	Loss of income	L	The BCC St Nicholas Market Internet page should be kept up to date to ensure that potential traders and customers are provided with relevant information about Markets operation.	<p>Agreed</p> <p>Implementation time December 2012</p> <p>Responsible Officer Markets Manager</p>

Ref.	Matters Arising	Risk/Potential Consequence	Priority	Proposed Recommendations	Management Comments, Responsible Officer & Due Date
20	There is a lack of consistency in recording details of traders, some who pay by standing orders are on the MACCS system, others not. The MACCS system should provide a comprehensive record of Market traders.	Poor management decision making. Loss of system integrity.	L	Traders should be consistently recorded on the MACCS and the record checked on a quarterly basis to the traders on site.	Agreed Implementation Time December 2012 Responsible Officer Markets Manager
21	Limited storage spaces are available to traders, however, there are no records available to evidence that all traders had equal opportunities in the distribution.	Dissatisfaction among traders.	L	Available storage spaces should be advertised and allocation documented.	Agreed Implementation Time December 2012 Responsible Officer Markets Manager
22	St Nicholas Markets stall plan does not reflect the current Markets layout. MACCS used different stall references compared to the Markets stalls' plan. It is difficult to locate traders as there are different traders' referencing systems in use.	Loss of income.	L	The St Nicholas stall plan should be updated to reflect the current Markets set up. Consideration should be given to amend the MACCS stall references to reflect these recorded on the Markets stall plan to ensure that all traders are accounted for.	Agreed CAD drawing being produced which will provide single reference system Implementation Time December 2012 Responsible Officer Market Manager

Note: Internal Audit Recommendation Priority Rating

H	High - a key risk is not being adequately addressed; legislation is being breached; or there is: substantial nonconformity with Council policy/regulations; a risk of material loss, or serious fraud.
M	Medium - a service risk is not being adequately addressed; or there is nonconformity with Council policy/regulations; some risk of loss or fraud; scope to improve value for money, or efficiency in working practices.
L	There is non compliance with best practice; benefit would be gained from improved control.