



LiveArgyll
Internal Audit Report
January 2023
FINAL

Events Management

Audit Opinion: High

	High	Medium	Low	VFM
Number of Findings	0	0	0	0

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1. Executive Summary

Introduction

1. As part of the 2022/23 internal audit plan, approved by the Audit & Scrutiny Committee in March 2022, we have undertaken an audit of LiveArgyll's system of internal control and governance in relation to Events Management.
2. The audit was conducted in accordance with the Public Sector Internal Audit Standards (PSIAS) with our conclusions based on discussions with LiveArgyll officers and the information available at the time the fieldwork was performed. The findings outlined in this report are only those which have come to our attention during the course of our normal audit work and are not necessarily all the issues which may exist. There are no agreed actions as a result of this report; however it is the responsibility of management to determine the extent of the internal control system appropriate to LiveArgyll.
3. The contents of this report have been agreed with the appropriate LiveArgyll officers to confirm factual accuracy and appreciation is due for the cooperation and assistance received from all officers over the course of the audit.

Background

4. LiveArgyll was established by the Council and is a company limited by guarantee, governed by its articles of association. This charitable company (charity number SC047545) is fully incorporated and commenced trading on 2 October 2017. The Council provides support services to LiveArgyll as outlined in the Service Level Agreement (SLA), this includes internal audit services to support their governance framework.
5. LiveArgyll is run by board members from the local community, there are 7 Trustees, all of whom are volunteers and support the strategic direction and governance of the company led by the General Manager.
6. LiveArgyll are responsible for operating the Council's leisure facilities, libraries, halls and community centres. The Council continue retain ownership of the assets, however, the day-to-day operations of the facilities is the responsibility of LiveArgyll.
7. Events management within LiveArgyll can include weddings, conferences, charity events, parties and organised concerts. Events mainly take place in the three halls - Coran Halls in Oban, the Queens Hall in Dunoon or the Victoria Hall in Helensburgh.
8. Events management is the process of planning and hosting large or small scale public or private events either for social or business purposes. The process of planning an event can include budgeting, advertising, scheduling, catering, co-ordinating with 3rd parties, obtaining relevant licences, risk assessments and health safety arrangements.

Scope

9. The scope of the audit was to assess procedures to manage events hosted in LiveArgyll venues including controls over revenue, expenditure, risk management and insurance as outlined in the Terms of Reference agreed with the Business Operations Manager on 12 December 2022.

Risks

10. The risks considered throughout the audit were:
- Strategic Risk - Reduced Income levels due to economic climate. Impact of Covid19 on local economy and consequently levels of disposable income
 - Strategic risk: Failure to effectively market and promote services
 - Audit Risk 1 - failure to have event management processes in place

Audit Opinion

11. We provide an overall audit opinion for all the audits we conduct. This is based on our judgement on the level of assurance which we can take over the established internal controls, governance and management of risk as evidenced by our audit work. Full details of the five possible categories of audit opinion is provided in Appendix 1 to this report.
12. Our overall audit opinion for this audit is that we can take a high level of assurance. This means that internal control, governance and the management of risk are at a high standard. Only marginal elements of residual risk have been identified with these either being accepted or dealt with. A sound system of control designed to achieve the system objectives is in place and being applied consistently.

2. Objectives and Summary Assessment

13. Exhibit 1 sets out the control objectives identified during the planning phase of the audit and our assessment against each objective.

Exhibit 1 – Summary Assessment of Control Objectives

	Control Objective	Link to Risk	Assessment	Summary Conclusion
1	Procedures are in place to manage events hosted in LiveArgyll venues	Audit Risk 1	Substantial	Procedures are in place to manage events. The 'Live Events and Shows Process' document outlines the process to be followed from the receipt of an enquiry to hold an event to post show activities. In addition, numerous other operating procedures and standard documentation is in place to assist with the running of events.
2	Controls are in place over income and expenditure with budget monitoring	Strategic risk: Reduced Income levels due to economic climate.	Substantial	Income and expenditure are projected in advance of an event, with a post event review being undertaken looking at

	processes established	Impact of Covid19 on local economy and consequently levels of disposable income		projected figures against actual. The Council as required by the SLA, with meetings being held between the Council and LiveArgyll, supports ongoing budget monitoring.
3	Events are actively promoted and marketed	Strategic risk: Failure to effectively market and promote services	Substantial	Events are actively promoted and marketed through a variety of media with the marketing team closely monitoring ticket sales and where necessary looking for additional avenues to promote a particular event.
4	Controls are in place for risk management for events and relevant insurances are in place	Audit Risk 1	Substantial	Controls are in place to assess the risks for each event with standard risk assessment templates available to complete. The Council, in line with the Service Level Agreement (SLA) provide Health & Safety (H&S) advice and support to LiveArgyll. Over and above the insurance provided by the Council, in line with the SLA, commercial event organisers must show proof of a minimum of £5m insurance cover.

14. Further details of our conclusions against each control objective can be found in Section 3 of this report.

3. Detailed Findings

Procedures are in place to manage events hosted in LiveArgyll venues

15. Events within LiveArgyll can include weddings, conferences, charity events, parties and organised concerts, events mainly taking place in the Coran Halls in Oban, the Queens Hall in Dunoon or the Victoria Hall in Helensburgh.

16. Procedures are in place to manage events. The 'Live Events and Shows Process' document outlines the process to be followed from the receipt of an enquiry to post event activities. At each stage of the process the document identifies the staff team responsible for each task.

17. A number of standard template documents are available and in use including:

- venue Hire Terms and Conditions;
- staff Pre-event Briefing Form for staff to communicate key points of the Event Risk Assessment and pre-event checklist;

- security Pre-Event Briefing checklist to meet the Head External Stewards for event briefing to communicate key points of the Event Risk Assessment, ensuring there is adequate stewards to meet the risk assessment requirements;
- post Show Report check list;
- standard Operating Procedures.

18. LiveArgyll use Eventbrite, an online ticket management system to manage ticket sales. The Eventbrite – document ‘Events Payment Process’ outlines the various steps to be followed to manage income from ticket sales.

Controls are in place over income and expenditure with budget monitoring processes established

19. Controls are in place over income and expenditure. A standard template is used for revenue projections and income is projected for the following year based on the number of scheduled events. Expenditure projections are calculated in advance of each event. The costs included in the projections are the ‘additional’ costs the event incurs rather than a ‘full absorption costing’ approach.

20. Ongoing budget monitoring arrangements are part of the Service Level Agreement with the Council. LiveArgyll and Council finance staff hold monitoring meetings, looking at all budgets across LiveArgyll. In 2021/22, an audit of Budget Monitoring was undertaken and provided a high level of assurance.

Events are actively promoted and marketed

21. Events are actively promoted and marketed, with a number of media resources being used, including Facebook, Instagram and twitter. In addition to Social Media channels, various other media is used to promote events, including:

- LiveArgyll website;
- partnership working with Wild about Argyll;
- AITC partnership as well as other stakeholders;
- The List website;
- What’s on and local papers;
- member newsletters;
- TV screens in facilities;
- partnership working with Dunoon Cinema where members get discount as part of a joint promotion;
- digital screens and push notifications.

22. An advertising pack to promote venues within LiveArgyll is available. This provides information on what LiveArgyll offers in terms of events hosted in their venues, including information on promotional opportunities.

23. The Commercial/Marketing Team have responsibilities outlined in the Live Events and Shows Process document, including:

- checking the event spreadsheet on a weekly basis to ensure that all marketing materials have been sent by promoters;
- contacting promoters where events may need some additional marketing to discuss options on how to increase interest in their event and the potential costs.

Controls are in place for risk management for events and relevant insurances are in place

24. The Council, within the terms of the SLA provide LiveArgyll with health and safety advice, training, audits and incident and near miss investigations in order to help ensure that the appropriate corporate health and safety arrangements are in place and properly complied with on a comparable basis to similar services currently provided to the Council's directorates and services. The Council's Health & Safety team undertake internal audits of one facility each year and this includes looking at any event risk assessments. LiveArgyll completes a standard risk assessment template prior to events taking place.
25. The hirer is responsible for securing any permits required for the performances of copyright work unless specified in booking agreement. LiveArgyll check this prior to the event.
26. For major/one off events the hirer must hold public liability insurance with a minimum indemnity of £5 million, this is checked by LiveArgyll prior to the event. Exemptions to this would be private hires by individuals e.g. wedding receptions and birthday parties and hires which are community based and do not involve a large number of participants such as indoor bowling, tea dances, bridge clubs etc. Within the terms of the SLA, the Council provides insurance cover.



Appendix 1 – Audit Opinion

Level of Assurance	Definition
High	Internal control, governance and the management of risk are at a high standard. Only marginal elements of residual risk have been identified with these either being accepted or dealt with. A sound system of control designed to achieve the system objectives is in place and being applied consistently.
Substantial	Internal control, governance and the management of risk is sound. However, there are minor areas of weakness which put some system objectives at risk and specific elements of residual risk that are slightly above an acceptable level and need to be addressed within a reasonable timescale.
Reasonable	Internal control, governance and the management of risk are broadly reliable. However, whilst not displaying a general trend, there are areas of concern which have been identified where elements of residual risk or weakness may put some of the system objectives at risk.
Limited	Internal control, governance and the management of risk are displaying a general trend of unacceptable residual risk above an acceptable level and placing system objectives are at risk. Weakness must be addressed with a reasonable timescale with management allocating appropriate resources to the issues raised.
No Assurance	Internal control, governance and the management of risk is poor. Significant residual risk and/or significant non-compliance with basic controls exists leaving the system open to error, loss or abuse. Residual risk must be addressed immediately with management allocating appropriate resources to the issues.