

# Final Internal Audit Report

## Public Events

### January 2019

**Distribution:**

- Executive Director of Place (Final only)
- Director of Public Realm
- Principal Trade Waste Management Officer
- Food and Safety Manager
- Head of Public Protection
- Events and Sports Operational Manager
- Events Officer

Assurance Level	Recommendations Made	
<b>Substantial Assurance</b>	Priority 1	0
	Priority 2	4
	Priority 3	3

#### Confidentiality and Disclosure Clause

This report ("Report") was prepared by Mazars LLP at the request of London Borough of Croydon and terms for the preparation and scope of the Report have been agreed with them. The matters raised in this Report are only those which came to our attention during our internal audit work. Whilst every care has been taken to ensure that the information provided in this Report is as accurate as possible, Internal Audit have only been able to base findings on the information and documentation provided and consequently no complete guarantee can be given that this Report is necessarily a comprehensive statement of all the weaknesses that exist, or of all the improvements that may be required.

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Please refer to the Statement of Responsibility in Appendix 3 of this report for further information about responsibilities, limitations and confidentiality.

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2. Definitions For Audit Opinions And Recommendations
3. Statement Of Responsibility

**1. Introduction**

- 1.1 Each year in Croydon there are over 100 events ranging from minor fun runs, street parties, outdoor fetes, county and craft shows, charity events and big lunches to major gatherings such as the Croydon World Party and Mela, carnivals, sports events, car rallies, road races, street celebrations, concerts and music festivals.
- 1.2 The Council has an ambition not only to continue to support these, but to encourage a greater range of events providing a diverse mix of recreational and cultural activities. Events can help the development of strong communities, they can bring in visitors and create a positive economic impact locally. A good and varied events programme will enhance the reputation of Croydon making it a more attractive place for people to live, visit and invest.
- 1.3 However, all such gatherings may pose significant public safety issues and disruptions for both the public, event organisers, local authorities and the emergency services. Allowing events to proceed in an unsafe manner also places the Council at risk of litigation. It is therefore imperative that effective systems are put in place to fully assess events. It is important that there are clear lines of accountability and decision making from responding to event proposals to facilitating and supporting them being staged in Croydon. This includes accountability within the Council and its partners in terms of how events are assessed and supported.
- 1.4 In February 2017, the Council submitted an Events Policy to cabinet for approval. The Policy sets out the key principles with which Croydon Council, with its key partners including the Metropolitan Police Service, Transport for London, British Transport Police and other key stakeholders, approach the authorisation and management of events.
- 1.5 The objectives, methodology and scope are contained in the Audit Terms of Reference at Appendix 1.

**2. Key Issues****Priority 2 Issues**

Discrepancies between Events Policy and Parks Event Hire Charges document relating to the size categorisation of events were noted, (**Issue 1**).

The Zipporah payment terms and conditions were out of date and did not reflect the Data Protection Act 2018, (**Issue 2**).

Based on sample testing, insurance documents were not being received with applications, (**Issue 3**).

The Food and Safety Manager advised that the timescales proposed for holding Safety Advisory Group meetings prior to events were not being adhered to. It

was explained that this was due to the fact that event organisers were submitting applications too close to proposed dates, (**Issue 4**).

Priority 3 issues are included under item 4 below.

### 3. Actions and Key Findings/Rationale

<b>Control Area 1: Organisational, Management and Regulatory Requirements</b>		<b>Detailed Finding/Rationale – Issue 1</b>
<b>Priority</b>	<b>Action Proposed by Management</b>	
2	Management are fully aware that there is a difference in the categorisations of events and this will be reviewed when fees and charges are reviewed by end March 2019.	<p>The Events Policy, dated August 2017, details that, 'There are various fees and charges payable by event organisers depending on the location and type of event being organised. These can include: Events application fee. (This is a non-refundable fee); Parks/open space hire fee (dependent on the size and type of event); Street use booking/admin fee – payable in the same way as a parks hire fee (based upon the size and type of event); Damage/reinstatement deposit for highway/parks events; Road closure fees; Parking suspension fees; Licensing fees, and Waste clearance charges.'</p> <p>Examination of the list of hire charges for parks for the current financial year (2018/19) found that fees were dependent on the type of event (commercial or charity/community) and the size of the event based on the number of attendees. However, the size categorisations differed to those in the Events Policy. For example, within the parks hire charges, a major commercial event is where attendance is 10,000 and above. A major event in the Events Policy is any event over 4,000.</p> <p>Where there is such a wide discrepancy in event size categorisations and as this impacts on the fees charged, there is a risk of confusion over the fees required and also a chance that event organisers will query whether event fees are being charged correctly.</p>
<b>Responsible officer</b>	<b>Deadline</b>	
Food and Safety Manager / Principal Trade Waste Management Officer	April 2019	

<b>Control Area 1: Organisational, Management and Regulatory Requirements</b>	
<b>Priority</b>	<b>Action Proposed by Management</b>
2	<p>Zipporah payment system is an approved supplier for the Council. This needs looking at across numerous areas within the Council. We understand a script has been implemented across the Zipporah database to prevent access to old cases. This is not controlled by the Events team.</p> <p>We had attempted to bring in a new IT system for applications and payments but this is being delayed by internal IT and business issues. A new business case is to be submitted to IT to review and implement the most appropriate system for events.</p>
	<p><b>Detailed Finding/Rationale – Issue 2</b></p> <p>The Data Protection Act (DPA) 2018 became law on 23 May 2018 and enshrined the General Data Protection Regulations in UK law. This replaced the DPA 1998, requiring greater transparency on how data is collected, retained and used and giving individuals greater rights.</p> <p>The Zipporah payment system is used to take payments for event applications online. The attached terms and conditions for the system advise that personal data will be processed under the DPA 1998.</p> <p>When discussing payments made for event applications using the Zipporah payment system, the Events Officer happened to open a payment from 2008 relating to a licence application. This record confirmed the applicants name and address, which was still held for a one off application. As this record is 10 years old and the Council's standard retention period for payment records is 3 years, it is unlikely that there is any business need to retain these details.</p> <p>Where personal data is held for too long or processed under the DPA 1998, there is a risk that the DPA 2018 is breached and that the Council may be subject to fines.</p>
	<p><b>Responsible officer</b></p> <p>Food and Safety Manager / Principal Trade Waste Management Officer</p>
	<p><b>Deadline</b></p> <p>August 2019</p>

<b>Control Area 2: Assessment and Authorisation</b>		<b>Detailed Finding/Rationale – Issue 3</b>
<b>Priority</b>	<b>Action Proposed by Management</b>	
2	Officers always ensure that appropriate insurance is in place before an event takes place. It has now been confirmed that proof of current insurance MUST be obtained by LBC events before the event goes ahead. Council Insurance Team has confirmed that they do not need to be informed of all events taking place. Events are not being run by the Council.	<p>The events 'Organising Safe And Successful Events In Croydon' guidance on the Councils website states that, 'All event organisers must provide evidence of holding sufficient public liability insurance for their event. We require a minimum of £5 million for small events, and £10 million for events for over 2000 people.'</p> <p>Examination of the documentation held for the three events held since the new Events Policy came into place, found that only one event organiser had provided copies of insurance certificates.</p> <p>It was also established that there were no document sharing practices in place with the Insurance team meaning that the Insurance team was not aware of events unless specifically notified by departments. This would allow the Insurance team to advise whether cover is appropriate and to ensure that in the event of claims, they are able to direct any claimants to a third party where appropriate.</p> <p>Where copies of appropriate insurance documents are not obtained, there is a risk that appropriate insurance arrangements are not in place and, in the event of an incident, the public and the Council are not protected.</p>
<b>Responsible officer</b>	<b>Deadline</b>	
Events Organiser / Events and Sports Operational Manager	Completed	

<b>Control Area 4: Working in Partnership</b>		<b>Detailed Finding/Rationale – Issue 4</b>
<b>Priority</b>	<b>Action Proposed by Management</b>	
2	<p>At no point has an event not been considered by SAG when required and every event is reviewed and risks assessed by Events officer and Parks Events &amp; Sports Operational Officer. SAG has been meeting a minimum of every 2 months as per policy. There is no timescale for SAG in policy.</p> <p>The new process has only been in place a few months and changes in workflow timescales may be required but reviewed once it has been in place for a period of time.</p>	<p>The Council's Events Policy details that, 'The remit of the Safety Advisory Group (SAG) is to advise on whether an event should proceed on safety and not any other grounds. The consent of the council or 'landlord' may be withdrawn upon advice of the SAG on safety grounds only.' Furthermore, 'Members of the SAG will expect to review an Event Management Safety Plan (EMSP) before any events. Timescales for the submission of this are found on the website. An EMSP is required for all large and major events and some elements may be requested for medium and small events.'</p> <p>The Food and Safety Manager advised that the timescales proposed for holding SAG meetings prior to events were not being adhered to. It was explained that this was due to the fact that event organisers were submitting applications too close to proposed dates.</p> <p>Where the timescales for the submission of EMSP are not adhered to and the SAG is not able to advise on these, there is a risk that unworkable or inappropriate safety management plans are in place and a risk to the safety of the public attending these events.</p>
<b>Responsible officer</b>	<b>Deadline</b>	
Food and Safety Manager / Principal Trade Waste Management Officer	To be reviewed in May 2019	



4. Priority 3 Issues

Action Proposed by Management	Findings
<p>1) Completed. No old application forms can be found by officers on the Councils webpages.</p>	<p>Whilst reviewing the public Croydon website, it was noted that the section relating specifically to park events still allowed members of the public to download the out of date application form rather than the new form.</p> <p>This could result in confusion and a delay in applying for events which does not reflect well on the Council.</p>
<p>2) Completed. Closer working relationship has been established between the Events Officer and the Events and Sports Officer.</p>	<p>Where park events require work to be done across both the Events Officer and the Events and Sports Operational Manager, for example if a SAG is required, this often results in a duplication of work as both officers review the same required documents ahead of the meeting.</p> <p>Whilst this may be unavoidable this should be avoided where at all possible.</p>
<p>3) Completed. Team has reviewed their procedures to ensure that this no longer happens.</p>	<p>Three events have been assessed and held using the new application form and fee procedure. Two of these events were posted correctly on the Croydon centralised calendar. However, the Purley Food and Drink festival was not advertised on the calendar despite it being a requirement under the Events Policy and workflow.</p>

## **TERMS OF REFERENCE**

### **Public Events**

#### **1. INTRODUCTION**

- 1.1 Each year in Croydon there are over 100 events ranging from minor fun runs, street parties, outdoor fetes, country and craft shows, charity events and big lunches to major gatherings such as the Croydon World Party and Mela, carnivals, sports events, car rallies, road races, street celebrations, concerts and music festivals.
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- 1.5 In February 2017 the Council submitted an Events policy to cabinet for approval. The policy sets out the key principles with which Croydon Council, with its key partners including the Metropolitan Police Service, Transport for London, British Transport Police and other key stakeholders, approach the authorisation and management of events.
- 1.6 As part of the agreed 2017/18 Internal Audit Plan, an internal audit of Public Events was identified to be undertaken.

#### **2. OBJECTIVES AND METHOD**

- 2.1 The overall audit objective is to provide an objective independent opinion on the adequacy and effectiveness of controls / processes.
- 2.2 The audit will for each controls / process being considered:
  - Walkthrough the processes to consider the key controls;
  - Conduct sample testing of the identified key controls, and
  - Report on these accordingly.

#### **3. SCOPE**





3.1 This audit will examine the Council's arrangements in relation to Public Events, and will include the following areas:

Control Areas/Risks	Issues Identified		
	Priority 1 (High)	Priority 2 (Medium)	Priority 3 (Low)
Regulatory, Management and Organisational Requirements	0	2	0
Assessment and authorisation	0	1	2
Compliance with pre-event conditions	0	0	0
Working in partnership e.g. SAG	0	1	0
Fees and charges	0	0	0
Promotion	0	0	1
Health and safety	0	0	0
Staffing arrangements	0	0	0
Budgetary control	0	0	0
Monitoring and reporting performance	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>4</b>	<b>3</b>

## DEFINITIONS FOR AUDIT OPINIONS AND RECOMMENDATIONS

In order to assist management in using our reports:

We categorise our **audit assurance opinion** according to our overall assessment of the risk management system, effectiveness of the controls in place and the level of compliance with these controls and the action being taken to remedy significant findings or weaknesses.

	Full Assurance	There is a sound system of control designed to achieve the system objectives and the controls are consistently applied.
	Substantial Assurance	While there is basically a sound system of control to achieve the system objectives, there are weaknesses in the design or level of non-compliance which may put this achievement at risk.
	Limited Assurance	There are significant weaknesses in key areas of system controls and/or non-compliance that puts achieving the system objectives at risk.
	No Assurance	Controls are non-existent or weak and/or there are high levels of non-compliance, leaving the system open to the high risk of error or abuse which could result in financial loss and/or reputational damage.

Priorities assigned to recommendations are based on the following criteria:

<b>Priority 1 (High)</b>	Fundamental control weaknesses that require the immediate attention of management to mitigate significant exposure to risk.
<b>Priority 2 (Medium)</b>	Control weakness that represent an exposure to risk and require timely action.
<b>Priority 3 (Low)</b>	Although control weaknesses are considered to be relatively minor and low risk, action to address still provides an opportunity for improvement. May also apply to areas considered to be of best practice.

## STATEMENT OF RESPONSIBILITY

We take responsibility to the London Borough of Croydon for this report which is prepared on the basis of the limitations set out below.

The responsibility for designing and maintaining a sound system of internal control and the prevention and detection of fraud and other irregularities rests with management, with internal audit providing a service to management to enable them to achieve this objective. Specifically, we assess the adequacy and effectiveness of the system of internal control arrangements implemented by management and perform sample testing on those controls in the period under review with a view to providing an opinion on the extent to which risks in this area are managed.

We plan our work in order to ensure that we have a reasonable expectation of detecting significant control weaknesses. However, our procedures alone should not be relied upon to identify all strengths and weaknesses in internal controls, nor relied upon to identify any circumstances of fraud or irregularity. Even sound systems of internal control can only provide reasonable and not absolute assurance and may not be proof against collusive fraud.

The matters raised in this report are only those which came to our attention during the course of our work and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made. Recommendations for improvements should be assessed by you for their full impact before they are implemented. The performance of our work is not and should not be taken as a substitute for management's responsibilities for the application of sound management practices.

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