

GWYNEDD COUNCIL

COMMITTEE	AUDIT COMMITTEE
DATE	3 DECEMBER 2013
TITLE	OUTPUT OF THE INTERNAL AUDIT SECTION
PURPOSE OF REPORT	TO OUTLINE THE WORK OF THE INTERNAL AUDIT SECTION FOR THE PERIOD TO 31 OCTOBER 2013
AUTHOR	DEWI MORGAN, SENIOR MANAGER AUDIT AND RISK
ACTION	TO RECEIVE THE REPORT, COMMENT ON THE CONTENTS AND SUPPORT THE RECOMMENDATIONS THAT HAVE ALREADY BEEN PRESENTED TO SERVICES FOR IMPLEMENTATION

1. INTRODUCTION

- 1.1 The following report summarises the work of the Internal Audit Section for the period from 01 September 2013 to 31 October 2013.

2. WORK COMPLETED DURING THE PERIOD

- 2.1 The following audit work was completed in the period to 31 October 2013:

Description	Number
Reports on Audits from the Operational Plan	11
Other Reports (memoranda etc)	1
Grant Reviews	4
Follow-up Audits	2

Further details regarding this work are found in the body of this report and in the enclosed appendices.

2.2 Audit Reports

2.2.1 The following table shows the audits completed in the period to 31 October 2013, indicating the relevant opinion category and a reference to the relevant appendix.

TITLE	DEPARTMENT	SERVICE	OPINION	APPENDIX
Corporate Complaints Procedure	Corporate		C	Appendix 1
Payroll - Advances	Finance	Pensions and Payroll	B	Appendix 2
Ports	Economy and Community	Maritime and Country Parks	C	Appendix 3
Tourist Information Centres	Economy and Community	Tourism, Marketing and Customer Care	B	Appendix 4
Logging and Monitoring	Customer Care	Information Technology	B	Appendix 5
Enablement Schemes	Social Services, Housing and Leisure	Adults	B	Appendix 6
Direct Payments	Social Services, Housing and Leisure	Adults	C	Appendix 7
Older - Disabled Persons - Adaptations to Homes	Social Services, Housing and Leisure	Private Sector Housing	B	Appendix 8
Empty Houses back into use Project	Social Services, Housing and Leisure	Private Sector Housing	B	Appendix 9
Subsidised Travel Tickets - Payments to bus companies	Regulatory	Transportation and Street Care	C	Appendix 10
Exempt Papers and Confidentiality	Strategic and Improvement	Democracy	B	Appendix 11

2.2.2 The opinion categories within the reports affirm the following:

- Opinion "A" Assurance of financial propriety can be expressed as the controls in place can be relied upon and have been adhered to.
- Opinion "B" Controls are in place, and partial assurance of financial propriety can be expressed as there are aspects where some procedures can be strengthened.
- Opinion "C" Assurance of financial propriety cannot be expressed as the controls in place cannot be relied upon, but losses/fraud due to these weaknesses were not discovered.

Opinion “CH” Assurance of financial propriety cannot be expressed as acceptable internal controls are not in place; losses / fraud resulting from these weaknesses were discovered.

2.2.3 In addition to the above, the following audits were undertaken where a memorandum was produced, rather than a full report, and an opinion category was not given:

- **Results-Based Accountability** (*Social Services, Housing and Leisure*). "Results Based Accountability" is a business planning methodology that is being introduced within some units within the Social Services, Housing and Leisure Department. The purpose of the audit was to determine the effect of this process on risk management within the services that are using it. Based on a review of the use of the methodology, which included discussions with senior management and reviewing working papers, Internal Audit is satisfied that the procedure is not seen as a substitute for risk management practices, and therefore the adoption of Results Based Accountability in detail in some units, and to a lesser extent in other units, is not seen to be having a detrimental effect on the Council's ability to manage its risks.

2.3 Grants

2.3.1 The administrative procedures for the following grants were reviewed during the period:

- Appetite for Life Grant (*Education*)
- Out of School Childcare Grant (*Education*)
- School Uniform Grant (*Finance*)
- Youth Club Grants - Revenue Grant (*Economy and Community*)

2.3.2 Although these grants have been reviewed by Internal Audit, this does not mean that external auditors from the Wales Audit Office or other agencies may undertake audits of these grants. However, it is expected that the work that Internal Audit has undertaken, and the assurance that can be stated with regards to the control environment, means that less audit work will be needed by these organisations. This, in turn, should mean a reduction in the fees that the Council will have to pay for an external audit.

2.4 Follow-up Audits

2.4.1 The following table summarises the follow-up work completed during the period:

TITLE	DEPARTMENTS	FOLLOW-UP OPINION
Equipment with Former Members	Strategic and Improvement / Customer Care	Unacceptable
Members' IT arrangements	Strategic and Improvement / Customer Care	Acceptable

2.4.2 The conclusion of follow-up work is placed in one of four categories:

Excellent – all recommendations implemented as expected.

Acceptable – most recommendations, including the majority of “essential” recommendations, implemented as expected.

Unsatisfactory – several recommendations not implemented.

Unacceptable – most recommendations (including essential recommendations) not implemented, and no evidence of efforts to improve internal controls.

2.4.3 The list below shows the ‘C’ or ‘CH’ opinion category reports presented to the Audit Committee as appendices to the quarterly reports, where a report to the Committee regarding the follow-up remains outstanding. The list shows the target completion date for each of these follow-up audits:

Completion Target: Quarter ending 31 December 2013

- Banking Arrangements at Leisure Centres
- Contract Terms - DBS Checks
- Processing of Energy Supplier Data
- Staff DBS Checks
- Backups and Service Continuity

Completion Target: Quarter ending 31 March 2014

- Siopau Gwynedd
- Change Control, IT Systems

Completion Target: Quarter ending 30 June 2014

- Subsidised Travel Tickets
- Direct Payments
- Software Licences (Schools)
- Officers' Interests Policy
- Health and Safety Risk Assessments

Completion Target: Quarter ending 30 September 2014

- Ports
- Corporate Complaints Procedure

3 WORK IN PROGRESS

3.1 The following work was in progress as at 1 November 2013.

3.2 Work in progress

- Health and Safety Risk Assessments in Schools (*Education*)
- Pupil Deprivation Grant (*Education*)
- Schools Effectiveness Grant (*Education*)
- Primary Schools - Teacher Allowances and Conditions of Service for Heads (*Education*)
- Partnership Working (*Corporate*)
- Verification of Performance Measures (*Corporate*)
- Corporate Governance - Delegation Arrangements (*Corporate*)
- NFI (National Fraud Initiative) (*Corporate*)
- Budgetary Control (*Corporate*)
- Payroll - Maternity Pay (*Finance*)
- Risk-Based Benefit Verification (*Finance*)
- Council Tax - Discounts and Exemptions (*Finance*)
- Country Parks (*Economy and Community*)
- Local Regeneration Officers (*Economy and Community*)
- "Gwynedd Ni" (*Customer Care*)
- Sport Council Grants (*Social Services, Housing and Leisure*)
- Children - Post-care Allowances (*Social Services, Housing and Leisure*)
- Follow-up - Recording and Managing Leave (*Corporate*)
- Follow-up - Backups and Service Continuity (*Customer Care*)
- Trade Refuse (*Highways and Municipal*)
- Rechargeable Works (*Highways and Municipal*)
- SMAP Fund (*Strategic and Improvement*)
- Member Training (*Strategic and Improvement*)

4. RECOMMENDATION

4.1 The Committee is requested to accept this report on the work of the Internal Audit Section in the period from 1 September 2013 to 31 October 2013, comment on the contents in accordance with members' wishes, and support the recommendations already presented to the relevant service managers for implementation.

CORPORATE COMPLAINTS PROCEDURE

Corporate

Purpose of the Audit

The purpose of the audit was to ensure that all Council services comply with the "Gwynedd Council Complaints Procedure", that adequate records are maintained of all complaints, and to ensure that the responses of officers are of the highest quality and standard. The audit also considered the Council's guidelines in the context of the procedure set by the Wales Complaints Group's "Model Concerns and Complaints Policy and Guidance".

Scope of the Audit

The records of a cross-section of services were checked to ensure that the relevant procedures are in place for handling complaints appropriately and timely. A sample of complaints that had been referred to the Chief Officers of the Council was selected. This audit did not encompass complaints received by Social Services or schools because special statutory regimes exist for those complaints.

Main Findings

There are three stages in the current policy - informal complaint, formal complaint (the response of the service) and then an independent review (the Complaints Panel which includes the Monitoring Officer and one independent Chief Officer). However the Welsh Complaints Group has submitted proposals for common complaints policy to be used by Public Service Providers in Wales. A two-step procedure is recommended of step 1 - Informal Resolution and then Step 2 - a formal internal investigation on the principle of "Investigate once, Investigate well". The emphasis is therefore on resolution at stage 1.

Some elements are unclear in the current policy eg the procedure for complainants under 18 years of age, or for making a complaint on behalf of another individual. There is no reference in the policy that the same procedure will be used for these. Furthermore the time given for the acknowledgement of a complaint is not consistent with proposals of the Welsh Complaints Group. It is clear that the complaints procedure needs to be updated and could convey some points clearer.

The Council's frontline staff who deal with customers on a daily basis have little awareness about the content of the policy even though they were aware of the website and the electronic complaints submission form. The Model Complaints Policy provided by the Welsh Complaints Group state that frontline staff should be trained and encouraged to provide appropriate information on advice and advocacy support in phase 1 of the process. There is also no advisory documentation for customers in making or presenting complaints in public establishments such as the Siopau Gwynedd. After reviewing the policy, there should be arrangements for promoting the existence of the procedure.

Audit Opinion

(C) The audit opinion is that assurance of propriety cannot be expressed in the Corporate Complaints Procedure as the controls in place cannot be relied upon, but losses/fraud due to these weaknesses were not discovered. The main recommendations of the report are as follows:

- **The Council's policy 'The Corporate Complaints Procedure' should be circulated to all relevant Council staff when it is updated and awareness of it raised in the Senior Management College and Middle Management Forum.**
- **The 'Corporate Complaints Procedure' guidelines should be updated to reflect the proposals made by the Welsh Complaints Group in the "Model Concerns and Complaints Policy for Use by Public Service Providers in Wales".**
- **The policy should be reviewed in relation to conducting internal investigations and formal roles should be clearly defined, eg officers who align complaints and co-ordinate responses, the Cabinet's responsibility for reviewing reports on the number and type of complaints and their outcomes, and frequency of these.**

PAYROLL - ADVANCES

Finance

Purpose of the Audit

The purpose of the audit was to ensure that appropriate controls are in place for operating salary advances.

Scope of the Audit

The audit includes an assessment of general aspects for processing advances and a review of these measures for the implementation of a sample of advances during 2012/13. The audit did not include a check of calculations of tax and national insurance deductions.

Main Findings

The procedure that was in place for operating advances at the time of the audit was in the process of being replaced to a large part due to a change in the requirements of HM Revenue and Customs for the method and schedule of the Council informing them with regards to salary payments. However, the practice of implementing advances will continue and will remain an option to be implemented if necessary. A discrepancy was noted in the records on the payroll screen at the time of the audit between the historical payments and payments actually made. No deficiencies were identified in the payments as a result of this inconsistency. The attention of the Payroll Service managers was drawn to this matter and it was understood that they have been resolved.

It was noted that appropriate controls are in place for the use of the advances payroll including the restriction of access rights to supervisors and that the process of creating records for payments to individuals was subject to the same controls as the normal process of creating records of staff and pensioners. We found that there was scope to formalise the policy that is in place for deciding when it would be appropriate to undertake an advance.

Audit Opinion

(B) The audit opinion is that partial assurance of financial propriety can be expressed in the administration of Advances of Pay as controls are in place, but there are aspects where some procedures can be strengthened. The main recommendations of the report are as follows:

- **The policy for implementing advances should be formalised by documenting criteria as part of the documentation of the new procedure following amendments to the arrangements for reporting salary and pension payments to HM Revenue and Customs.**

PORTS

Economy and Community

Purpose of the Audit

To ensure that arrangements are in place at Gwynedd's ports in order to manage and mitigate risks appropriately, and in accordance with the Council's financial procedure rules and other relevant procedures.

Scope of the Audit

Visit a sample of ports in Gwynedd and check that their ordering and invoice payment arrangements are correct as well as their arrangements for receiving and banking income. Verify that customer presents sufficient detail to ports and that their arrangements for raising customers invoice is correct. Check that health and safety procedures and records as well as the use of Council vehicles are adequate and comply with the relevant requirements. Check that records of purchases and sales of red diesel in ports reconcile with the stock, and that the VAT treatment of red diesel is correct and complies with applicable requirements.

Main Findings

We found that invoices are processed correctly and had been calculated and coded correctly, but some had not been paid within a certain number of days in accordance with Council policy. Weaknesses were identified in the process for charging customers and the process of receiving and banking income. In addition, weaknesses were identified in health and safety aspect at the ports, with risk assessments and records of safety equipment checks not being kept up to date. A number of weaknesses were identified in the arrangements for selling red diesel to customers, and it was not possible for the auditor to reconcile the purchase, sales and stock of red diesel from records obtained during the audit.

Audit Opinion

(C) The audit opinion is that assurance of financial propriety cannot be expressed in the administrative arrangements at Gwynedd's Ports as the controls in place cannot be relied upon, but losses/fraud due to these weaknesses were not discovered. The main recommendations of the report are as follows:

- **Customers should sign and date the Moorings Confirmation Form at all times, in order to confirm that they agree with the Council's terms and conditions, and have an adequate insurance policy. If the customer refuses to sign or submit the Moorings Confirmation Form, consideration should be given to prohibiting the customer's vessel from its mooring in the port, and from using the port facilities.**
- **Applications for the sale of red diesel should be completed accurately and completely at all times, with all the boxes of the form completed and the customer signing and dating the form. Close attention should be given to the proportion of red diesel that is declared by the customer to be used for commercial purposes, and it must be ensured that accounting work is carried out properly, with the correct additional rate of tax used.**
- **The ports' risk assessments should be reviewed and updated annually, or when there is a change in risk, stating the date of the review at the top of the risk assessment.**
- **Staff at the ports should undertake checks on safety equipment on a regular basis in accordance with expectations, ensuring that adequate records of these checks are retained and be up to date at all times, and that the responsible officer signs the records.**
- **Any defects with safety equipment should be identified in the safety equipment checks are being addressed and resolved in a timely manner.**

TOURIST INFORMATION CENTRES

Economy and Community

Purpose of the Audit

The purpose of the audit is to ensure that Tourist Information Centres deal with any expenditure, income and imprest accounts correctly and in accordance with Council Procedure Rules. To ensure the monitoring and control over TICs' expenditure including salary costs, and that the Council's property and TIC staff are safe on site.

Scope of the Audit

Select a sample of invoices, 'Receipts and Banking' forms (TR34) and 'Request for Reimbursement of Imprest Accounts' returns (TR24) and TIC staff time sheets and check that they are completed accurately and completely, with sufficient supporting evidence provided. Check the control and monitoring of TIC expenditure against budgets and that Council property and the property of TIC staff are protected on the site.

Main Findings

We found that the Economy and Community Department has identified the risk of the TIC service overspending against its annual budget, and that the risk is being addressed. In addition, it was found that payments of invoices, imprest accounts reimbursements and TIC staff timesheets have been approved for payment by authorised officers.

However, we found that copies of signed contract with external agencies had not been kept on file at the Economy and Community Department. In addition, there were cases where TR34 forms (Receipts and Banking) and TR24 forms (Reimbursement of Imprest Account) had not been completed fully and regularly in accordance with the Council's rules.

Audit Opinion

(B) The audit opinion is that partial assurance of financial propriety can be expressed in Tourist Information Centres as controls are in place, but there are aspects where some procedures can be strengthened. The main recommendations of the report are as follows:

- **TR34 forms should be completed fully, with the appropriate box on the form signed and dated at all times, and a line drawn on the bottom of the form when completed.**
- **A signed copy of the written agreements with outside agencies should be kept on file.**
- **The TIC rota should be kept current at all times.**
- **Applications for Imprest Account Reimbursements should be completed on a regular basis and in accordance with the Council's Financial Procedure Rules, ensuring that the account balance does not get too low.**
- **Invoices / receipts showing the VAT number of the organisation, the value of the goods / service received and a description of the goods / service, are received before VAT can be reclaimed on the TR24 (Imprest Reimburesment) forms.**

LOGGING AND MONITORING

Customer Care

Purpose of the Audit

The purpose of the audit was to ensure that satisfactory controls and procedures are in place for the collection, maintaining and reviewing of event logs.

Scope of the Audit

The scope of the audit was restricted to a review of logging and monitoring at the network, operating system and database levels. Application-level audit trails and logs have not been included in the audit scope.

Main Findings

During the audit fieldwork, it was seen that a security event and incident management product has been implemented and configured for a number of components for compliance with the necessary standards, however there is scope to monitor further aspects so that the protective monitoring is more comprehensive.

There is scope to formalise and document policies and procedures relating to the collecting, maintaining and reviewing of event logs, particularly those records that may be used as evidence in disciplinary action or in court cases.

Audit Opinion

(B) The audit opinion is that partial assurance of propriety can be expressed in the logging and monitoring procedures as controls are in place, but there are aspects where some procedures can be strengthened. The main recommendations of the report are as follows:

- **A more detailed formal logging and protective monitoring policy should be established to include which systems should be monitored and on what basis.**
- **Specified systems should be brought within the scope of LogRhythm, and alerts should be set up for the other specified events.**
- **A list should be produced and maintained of IT systems and the types of security event occurring within them that should be the subject of an alert or a standard report.**
- **Response procedures should be established and documented for LogRhythm alerts.**
- **Where practical, LogRhythm alerts should be responded to as soon as possible after they are generated. Regular logging reports should be inspected at least weekly and appropriate responses made.**
- **As part of log monitoring and incident management procedures, LogRhythm administrative actions should be collected and reviewed.**
- **Any log data extracted and restored to the system for investigative purposes must be adequately supervised, performed by two persons and fully documented.**

ENABLEMENT SCHEMES

Social Services, Housing and Leisure

Purpose of the Audit

To ensure that robust plans are in place for the Enablement Project.

Scope of the Audit

Check a sample of Enablement Plans to ensure that the correct information is provided, robust monitoring arrangements are in place and that there is clear communication between officers.

Main Findings

Some examples of good practice were found within the Enablement Project such as the Enablement Strategy for referrals to receive the service. However, there is a need for more detail in the Enablement Plans and for consistency one template should be used for provision across the County. There is also a need for more robust arrangements for some certain monitoring groups and a need for operational record keeping. Because of these points, appropriate steps should be taken to strengthen the arrangements within the area examined.

Audit Opinion

(B) The audit opinion is that partial assurance of propriety can be expressed in the implementation of Enablement Schemes as controls are in place, but there are aspects where some procedures can be strengthened. The main recommendations of the report are as follows:

- **There is a need to review and update Enablement guidelines / policies and seek their approval in the appropriate manner.**
- **Enquiries contact, Unified Assessment (BPI 1) and Domain 1 – User Perspective documents are necessary to ensure the right service for the service user and there is therefore a need to ensure that a copy of these is available at all times.**
- **Essential documents eg Enablement Schemes and BPI 1 should be sent to Provider Services and kept on the individual's file at both services.**
- **A current copy of the Service User Agreement should be kept on individuals' file to ensure that they understand the service that they require.**
- **Consideration should be given to using a Delivery Plan template across the County to ensure consistency.**
- **Service providers from the Council's Provider Services need to ensure that all service user files are returned to the service at the end of Enablement period.**

DIRECT PAYMENTS

Social Services, Housing and Leisure

Purpose of the Audit

Ensure that the payments are being implemented correctly and that proper financial controls are in place.

Scope of the Audit

Review arrangements by following the payments to 10 clients.

Main Findings

Some examples of good practice were found within the Direct Payment service in that all service users have a contract in place for the service. However, there is the need to have clear arrangements in place for the production and approval of policy and guidelines for the service. Also, there is a need to receive more information and detail about the expenditure of the service users, particularly employee costs. One case has arisen where the service user had not contributed personally towards the service as they should have in accordance with the Charging Policy. As a result, appropriate steps should be taken to strengthen the arrangements within the area examined.

Audit Opinion

(C) The audit opinion is that assurance of financial propriety cannot be expressed in Direct Payments as the controls in place cannot be relied upon, but losses/fraud due to these weaknesses were not discovered. The main recommendations of the report are as follows:

- **Direct Payments policy and guidelines should be produced and approved as soon as possible.**
- **Guidelines for service users should be produced and approved as soon as possible**
- **To ensure that the service user receives the required care / service there is a need to ensure that the annual assessment is completed and evidenced through an annual care plan.**
- **It is advisable to note on the care plans the service that is specifically required by the service user through Direct Payments.**
- **There is need to ensure that the user's Direct Payment bank account service is used only for the purpose of Direct Payments. As a result, evidence should be received of any expenditure made from the account. Where no evidence exists, it is necessary to challenge spending.**
- **A monitoring exercise should be undertaken during one month each year to ensure that the annual financial assessment has been received for each case. In cases where there is no assessment, the Charging Policy Unit should be contacted to ensure that this is received in a timely manner.**
- **Where there is no acceptable analysis of the relevant expenditure on a monthly basis, there is a need to give clear guidance to service users to endeavour for improvement in the future.**

OLDER / DISABLED PERSONS - ADAPTATIONS TO HOMES

Social Services, Housing and Leisure

Purpose of the Audit

The purpose of the audit is to review the measures and procedures that are in place in relation to applications from disabled people for adaptations to their homes.

Scope of the Audit

To ensure that robust arrangements are in place for the administration of Disabled Facilities Grants. The audit will check a sample of application forms to ensure that assistance is only given to those eligible for it, and that the individual's financial contribution towards the work is calculated correctly.

Main Findings

The main findings arising from this investigation is that assurance can be given that the arrangements of the Private Sector Housing Service for the administration of disabled facilities grants are adequate. However, arrangements for marketing the plan to Gwynedd residents could be strengthened by making greater use of the website and ensuring that booklets are available at the office.

Audit Opinion

(B) The audit opinion is that partial assurance of financial propriety can be expressed in grant for adaptations to homes as controls are in place, but there are aspects where some procedures can be strengthened. The main recommendations of the report are as follows:

- **Material available to the public should be checked for spelling and formatting before publication. It should also be ensure that they are available to the public at the Council's principal offices.**
- **The potential of the Council's website should be maximised by including full and current information about the adaptations grants, for example, by including the new condition where individuals need to repay the grant if the value exceeds £5,000 up to a maximum of £10,000 if the terms of the grant are broken within 10 years.**
- **The final total of all payments in respect of the grant amount should reconcile with the grant amount on the approval notice.**
- **It would be good practice to consider adding a facility on the CAPS system that forces users to change their password after a specific time e.g. 90 days.**
- **The person certifying the 'Code' box on the TR27b should ensure that expenditure is coded correctly.**

EMPTY HOUSES BACK INTO USE PROJECT

Social Services, Housing and Leisure

Purpose of the Audit

The purpose of the audit is to ensure that the objectives of the project to bring empty properties back into use are implemented.

Scope of the Audit

Check the internal controls that are in place to ensure that the objectives and targets of the project to bring empty properties back into use are met, by reviewing existing strategies and testing the operation of the financial transactions.

Main Findings

The main conclusion of the audit is that assurance can be provided that the arrangements of the Private Sector Housing Service for offering assistance to owners of empty properties is sufficient. However, the audit findings are based on a limited sample of properties, since a pan-Wales review of the Welsh Government's national plan, Houses into Homes, was being undertaken at the time of this audit.

Audit Opinion

(B) The audit opinion is that partial assurance of financial propriety can be expressed in the empty houses back into use project as controls are in place, but there are aspects where some procedures can be strengthened. The main recommendations of the report are as follows:

- **The Council should maximise the potential of the website by including full and current information about the vacant housing scheme, for example, by including the information packages that are sent to owners of empty homes when they make telephone inquiries.**
- **It would be good practice not to authorise payments on TR27b forms by using electronic images of signatures, as it is not proof that the payment has been agreed by the signatories.**
- **It would be good practice to consider adding a facility on the CAPS system that forces users to change their password after a specific time e.g. 90 days.**

SUBSIDISED TRAVEL TICKETS - PAYMENTS TO BUS COMPANIES

Regulatory

Purpose of the Audit

The purpose of the audit is to ensure that adequate internal controls exist within the Council in the administration of payments to bus operators based on the use of travel tickets for people over 60 and disabled people.

Scope of the Audit

The audit encompasses the collection and administration of relevant information by the bus companies to calculate and process the payments, as well as checking the procedures for claiming the money back from the Welsh Government. The audit will verify the current situation by reviewing a sample of recent applications, as well as re-visiting arrangements in September 2009, since the statistics from that month affect the calculations today.

Main Findings

The main finding emerging from this audit is the inability give assurance on the accuracy of the monthly payments to operators within Gwynedd, as part of a free travel scheme for people over 60 and disabled persons, because the charges are based on figures calculated in September 2009, and there is insufficient evidence to support them. It appears that a lack of checks on the monthly applications has led to incorrect payments in the past, especially where journeys cross local authority boundaries. However, it was found that the Transportation and Street Care Service has taken appropriate steps to identify the weaknesses and strengthen internal controls that are part of the process of verifying and paying claims.

Audit Opinion

(C) The audit opinion is that assurance of financial propriety cannot be expressed in payments to bus companies through the Subsidised Travel Tickets scheme as the controls in place cannot be relied upon. The main recommendations of the report are as follows:

- **Given the importance of the accuracy of the September 2009 figures, the Transport and Street Care Service should receive sufficient evidence from firms that did not provide Wayfarer reports as well as companies where there is uncertainty over the accuracy of the figures, as proof of the company's average adult single fare at the time.**
- **Before a bus company make their first claim for payment, a full audit trail should be in place to support the calculation of the average price for an adult single ticket for that company.**
- **Taking into account the internal controls that will be in place to monitor the use of tickets processed manually by the bus drivers, collaboration with other Councils should continue to ensure consistent guidance on how to handle payments for manually inputted tickets.**
- **Officers should satisfy themselves that the payments to bus operators are correct by reconciling payments with the original CI form, and investigate any adjustments.**

EXEMPT PAPERS AND CONFIDENTIALITY

Strategic and Improvement

Purpose of the Audit

The purpose of this audit was to ensure that appropriate control exists over the distribution of exempt Gwynedd Council committees reports for the protection of confidential information and commercially sensitive information. In addition, to verify that there are appropriate arrangements for the identification of reports that may include this type of information.

Scope of the Audit

Check the arrangements for sending exempt reports to officers, members and the press as well as the arrangements for deciding whether or not a report contains confidential information and commercially sensitive information. In addition, check training records to ensure that appropriate measures are in place to assist officers and members to know and understand the importance of confidentiality.

Main Findings

It was seen that there are tight arrangements for ensuring that information from exempt reports is not published. In addition, it was noted that fewer exempt reports are now going to Committees as they only contain confidential information if this is absolutely necessary. This ensures that the Council is more transparent. However, it was found that there are weakness in trying to ensure that Members have attended adequate relevant training to address the points of confidentiality and protection of personal or sensitive information, and one member who is on the General Licensing Sub-Committee has not attend this training. Attending relevant courses available in-house by the Council may serve to keep members fully aware of what exactly is identified as personal or sensitive information and the need to address the information appropriately . In addition, it was found that the guidelines for Committee Reports have not been updated since 2008, and included the arrangements of the Council Board rather than the new executive arrangements. Also, job titles are incorrect eg Head of Service rather than the Head of Department and Strategic Director instead of Corporate Director.

Audit Opinion

(B) The audit opinion is that partial assurance of financial propriety can be expressed in Exempt Papers and Confidentiality as controls are in place, but there are aspects where some procedures can be strengthened. The main recommendations of the report are as follows:

- **Guidelines for Committee Reports should be updated to reflect the revised procedure in existence since May 2012.**
- **Arrangments should be in place to ensure that Members attend the courses available for managing confidential and sensitive information. In addition, members who are members of committees where it is possible that discussions on this type of information could occur should be targeted, eg Members of Committees at which personal information about individuals is dicussed to attend a “Information about People: Your Responsibility” course.**