

GWYNEDD COUNCIL

COMMITTEE	AUDIT COMMITTEE
DATE	20 FEBRUARY 2014
TITLE	OUTPUT OF THE INTERNAL AUDIT SECTION
PURPOSE OF REPORT	TO OUTLINE THE WORK OF THE INTERNAL AUDIT SECTION FOR THE PERIOD TO 31 JANUARY 2014
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 1 November 2013 to 31 January 2014.

2. WORK COMPLETED DURING THE PERIOD

- 2.1 The following audit work was completed in the period to 31 January 2014:

Description	Number
Reports on Audits from the Operational Plan	16
Other Reports (memoranda etc)	1
Grant Reviews	4
Follow-up Audits	3

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 January 2014, indicating the relevant opinion category and a reference to the relevant appendix.

TITLE	DEPARTMENT	SERVICE	OPINION	APPENDIX
Use of Cetus / CALMS	Human Resources	Training	C	Appendix 1
Data Protection - Clauses in Job Descriptions	Corporate		C	Appendix 2
Corporate Governance - Delegation Arrangements	Corporate		B	Appendix 3
Budgetary Control	Corporate		A	Appendix 4
Payroll - Maternity Pay	Finance	Pensions and Payroll	B	Appendix 5
Risk-Based Benefit Verification	Finance	Revenue	A	Appendix 6
Council Tax - Discounts and Exemptions	Finance	Revenue	B	Appendix 7
Local Regeneration Officers	Economy and Community	Community Regeneration	B	Appendix 8
Country Parks	Economy and Community	Maritime and country parks	C	Appendix 9
"Gwynedd Ni"	Customer Care	Libraries	A	Appendix 10
Laptop Security	Customer Care	Information Technology	C	Appendix 11
Children - Post-care Allowances	Social Services, Housing and Leisure	Children and Families	B	Appendix 12
Bryn Blodau, Llan Ffestiniog	Social Services, Housing and Leisure	Residential and Day	C	Appendix 13
Rechargeable Works	Highways and Municipal	Highways Works	A	Appendix 14
Trade Refuse	Highways and Municipal	Waste Management and Streetscene	B	Appendix 15
Development Control - Enforcement	Regulatory	Planning	B	Appendix 16

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:

- **Fleet Management - NWPP Parts Contract** (Highways and Municipal). In 2011, a procurement process administered by the North Wales Procurement Partnership to establish a Framework Agreement for vehicle parts for the 6 north Wales authorities. As part of the audit, we looked at a sample of invoices and reviewed the administrative arrangements for these invoices within the department since the new framework was implemented. It was found that the administration of invoices is very robust and seems more effective than the arrangements that were in place before the framework came into force. Although the variation in the components that are bought annually makes it difficult to compare like for like, on the basis of the sample it could be concluded that overall the new framework has produced a saving for the Council.

2.3 Grants

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

- Post-16 Education Grant (*Education*)
- Supporting People Grant 2012-13 (*Social Services, Housing and Leisure*)
- Regional Transport Service Grant (*Regulatory*)
- Sport Council Grants (*Social Services, Housing and Leisure*)

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	DEPARTMENT	SERVICE	FOLLOW-UP OPINION
Banking Arrangements at Leisure Centres	Social Services, Housing and Leisure	Leisure	Acceptable
Processing of Energy Supplier Data	Customer Care	Property	Acceptable
Recording and Managing Leave	Corporate		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

Contract Terms - DBS Checks
Staff DBS Checks

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
Use of Cetus / CALMS
Data Protection - Clauses in Job Descriptions
Laptop Security

Completion Target: Quarter ending 30 September 2014

Ports
Corporate Complaints Procedure
Country Parks
Bryn Blodau

3 WORK IN PROGRESS

3.1 The following work was in progress as at 01 February 2014.

3.2 Draft reports released

- Health and Safety Risk Assessments in Schools (*Education*)
- SMAP Fund (*Strategic and Improvement*)
- Community Safety (*Strategic and Improvement*)

3.3 Work in progress

- Pupil Deprivation Grant (*Education*)
- Schools Effectiveness Grant (*Education*)
- GwE (*Education*)
- School Statistics and Censuses (*Education*)
- Partnership Working (*Corporate*)
- Verification of Performance Measures (*Corporate*)
- NFI (National Fraud Initiative) (*Corporate*)
- Payroll - Overtime (*Finance*)
- Bank Reconciliation - Review of Key Controls (*Finance*)
- Pensions - Contributions from employers (*Finance*)
- Payroll System - Review of Key Controls (*Finance*)
- Emergency Planning and Business Continuity (*Customer Care*)
- Youth Justice Service (*Social Services, Housing and Leisure*)
- Social Services - Security of Files and Data (*Social Services, Housing and Leisure*)
- Overnight Arrangements at Council Homes (*Social Services, Housing and Leisure*)
- Trading Standards (*Regulatory*)
- Payments to Taxi Firms (*Regulatory*)
- Member Training (*Strategic and Improvement*)
- Project Management Arrangements (*Strategic and Improvement*)
- Follow-up to Reviews on Gwynedd Consultancy (*Gwynedd Consultancy*)

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 November 2013 to 31 January 2014, comment on the contents in accordance with members' wishes, and support the recommendations already presented to the relevant service managers for implementation.

USE OF CETIS / CALMS Human Resources

Purpose of the Audit

The purpose of the audit was to ensure that Council officers read, understand and accept the appropriate policies that are presented through the CALMS system. The content of the policies vary, with IT Security and Data Protection policies amongst those that have been included. This system, therefore, is a key control in the dissemination of policies and procedures to staff.

Scope of the Audit

Verify the statistics held by the Human Resources Department to ensure that the majority of relevant Council officers have accepted the policies and there are adequate reasons where this has not happened.

Main Findings

The main finding of this audit is the failure of the system to inform staff of new policies. Officers are informed that a new policy needs to be accepted by a "pop-up" that appears after switching their computer on. However, a "pop-up blocker" prevents these from appearing, so information about the new policies is not received. This is believed to be the reason why the response to the Child and Adults Protection Policy and Guidelines are so low (4.75% have accepted it). In addition, it is believed that policies need to be reviewed periodically to ensure that the information is current.

Audit Opinion

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

- **Consideration should be given to distributing a generic email to remind staff of the need to accept the policy online after completing tests.**
- **Discussion should be held with the IT section to establish if it is possible to ensure that staff receive the "pop-up" message on their computer when there is a new policy but that will not compromise security.**
- **The possibility of introducing consequences of not accepting the policy should be investigated.**
- **The information within the policies should be accurate. Arrangements should be made to review the policies periodically.**

DATA PROTECTION - CLAUSES IN JOB DESCRIPTIONS

Corporate

Purpose of the Audit

The purpose of the audit was to ensure that the following clause;

"Responsibility for managing information in accordance with the Council's information management standards and guidelines. Ensure that personal information is treated in compliance with Data Protection legislation."

has been included in the job descriptions of all staff regardless of their Council functions to reinforce the message that the responsibility is common to all.

Scope of the Audit

Select a sample of recent job adverts and check if the Data Protection clause is included as well as checking job descriptions of a cross section of officers appointed since April 2013 to confirm that the clause is included.

Main Findings

An email was sent to all Council managers in February 2013 expressing the need to include formally the information management clause in all job descriptions within the Service / Department as it is "another step to reinforce the message that the responsibility is common to all, regardless of the role."

The Council's job advertisements were checked from the website and it was discovered that the clause has been included in several of the job descriptions. We found that a pattern appears and that some services within the Council has advertised for many jobs but have not included the clause in the job descriptions.

The final job descriptions included in the personnel files of a sample of randomly selected employees were also checked. Most of these did not contain the clause either.

Audit Opinion

(C) The audit opinion is that assurance of propriety cannot be expressed in the arrangements for Data Protection - Clauses in Job Descriptions 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 e-mail that expresses the need to add a clause to each job description from now on should be re-circulated to all managers / senior management of the Council.**
- **It should be ensured that the clause is included in the job description before it is advertised on the website.**
- **It should be ensured that every job description includes this clause and that it is signed and included in the employee's personnel file.**

CORPORATE GOVERNANCE - DELEGATION ARRANGEMENTS

Corporate

Purpose of the Audit

The purpose of the audit was to ensure that appropriate arrangements are in place for the delegation of functions to Members and officers of the Council as well as checking that the implementation is in accordance with the delegation arrangements. In addition, ensure that there is appropriate membership of relevant committees.

Scope of the Audit

A sample of decisions taken was checked as well as membership of relevant committees to ensure that they are in accordance with statutory requirements and any other requirements.

Main Findings

It was found that strong governance arrangements are in place for the most part, but one aspect needs to be improved. This is the arrangement for reviewing committee meeting times and locations so that it complies with the Statutory Guidance made under the Local Government (Wales) Measure 2011. This was identified as an action point by the Democracy Service.

In addition, it was observed that the membership requirements of the Chief Officers Appointments Committee have not been included within the Council's Constitution, although Section 3 of the Constitution states that they should be within Part 2.

Audit Opinion

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

- **Members' views should be sought in determining the times and places of meetings, i.e. if some of the meetings should be held during the evenings etc. Surveys should be conducted at least once every term.**
- **The membership requirements of the Chief Officers Appointment Committee should be included within the Constitution.**

BUDGETARY CONTROL

Corporate

Purpose of the Audit

The purpose of the audit was to ensure that appropriate arrangements and processes relating to budgets and budgetary control in place across the Council.

Scope of the Audit

Review relevant documents and records relating to revenue budgets for the financial year 2013/14, as well as checking accounts closure arrangements for the year 2012/13.

Main Findings

It was seen that on the whole that there is strong control in the process of budget management. However, there are a few places where the arrangements could be tightened a little. The main finding is the need to update the Council's Financial Procedure Rules so that they reflects the Cabinet executive arrangements as well as updating the content. It was noted that a Group has already been established to undertake this work.

Audit Opinion

- (A) The audit opinion is that assurance of financial propriety can be expressed in Budgetary Control as the controls in place can be relied upon and have been adhered to. One recommendation is suggested.**
- **The appropriateness of the Finance Procedure Rules with regards to authorising virements should be considered.**

PAYROLL - MATERNITY PAY

Finance

Purpose of the Audit

The purpose of the audit was to ensure that maternity allowance payments are correct and in accordance with statutory requirements and the Council's official procedures.

Scope of the Audit

The review evaluated a sample of records and payments made during 2012/13.

Main Findings

We found that most of the cases reviewed during the audit have received maternity allowance payments in accordance with the regulations. However some inconsistencies were noted and those cases were referred to the attention of the staff of the Payroll Service during the fieldwork. The auditors believe that the number of such cases would be reduced in the future if steps are taken to transfer from a paper process to an electronic process for the calculations. This would add additional benefits of protecting data from loss as well as ensuring consistent arrangements.

Audit Opinion

(B) The audit opinion is that partial assurance of financial propriety can be expressed in Payroll - Maternity 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 circumstances that led to the situation where neither the Human Resources Department nor Payroll Service were aware of a member of staff's maternity leave at the appropriate time should be reviewed, in order to ascertain if there are any lessons that can be learned to prevent similar cases in the future where the proper amounts that could not be paid at the right time.**
- **The introduction of electronic methods for conducting and calculating maternity payments should be evaluated.**

RISK-BASED BENEFIT VERIFICATION

Finance

Purpose of the Audit

The purpose of the audit was to ensure that the investment in the "Risk and Verification Portal" for the verification of benefit claims based on risk bears fruit in terms of:

- statistics for processing performance,
- freeing up resources to focus on high-risk cases by reducing processing checks on low-risk claims,
- ensure that the procedures adopted comply with the requirements of the Department of Work and Pensions' circular HB/CTB S11/2011.

Scope of the Audit

The audit included a review of the policy for risk-based checks and confirming that this is in accordance with the requirements of the Department of Work and Pensions. Check a sample of claims submitted since April 2013 and confirm that the relevant checks have been undertaken in accordance with the risk score and that no claim has been downgraded and that there was proper authorisation for increasing verification of low or medium risk claims. Also, check the training guidelines prepared together with confirmation that the investment in the software have helped improve performance statistics.

Main Findings

The Risk Based Verification Policy was established and approved in July 2012. It was found that the policy complied with the requirements of the Department of Work and Pensions. All staff have received training along with guidance and a leaflet on how to proceed. It was found that management reports are produced on a regular basis to identify any claims that have not received a risk score and those reports are given proper attention. On a randomly selected sample, it was found that appropriate checks have been carried out in large majority of cases. For the cases which appeared to have been over-checked, we received an explanation to support the rationale for the actions.

Ideally, investment in the module should have resulted in a net efficiency savings of £129,179 over three years. It is difficult to put a figure on the current savings, but the investment has certainly reflected positively in the performance results of Gwynedd Council in DWP statistics. In addition, it must be remembered that there has been an additional workload on the service due to the changes in legislation that has led to a high number of claims for discretionary housing payments. However, performance has been maintained without receiving any additional resources.

Audit Opinion

- (A) The audit opinion is that assurance of financial propriety can be expressed in Risk-Based Benefit Verification as the controls in place can be relied upon and have been adhered to.**

COUNCIL TAX - DISCOUNTS AND EXEMPTIONS

Finance

Purpose of the Audit

The purpose of the audit was to ensure that appropriate controls are in place for permitting and reviewing Council Tax discounts and exemptions.

Scope of the Audit

The audit encompasses checking Council Tax discounts and exemptions by reviewing the evidence and support for their establishment, and assessing what supervisory and reviewing tasks are carried out to ensure their appropriateness.

Main Findings

It was seen that the Revenue Service has a specific system for processing Council Tax reductions or exemptions. The parameters are configured within the system to ensure that the period of the reductions or exemptions are in accordance with the maximum period that has been defined by the Council's policies or statutory guidance.

It was seen that the Revenue Service has various processes to review the status of the cases that have a tax exemption or reduction. As part of the fieldwork of this audit, cases were reviewed where an account has been awarded a reduction or exemption and it was found that the status review period had been reached and exceeded for a considerable number. It is understood that the Service is evaluating its review processes with consideration given to more efficient and effective methods. The auditors support the methods of comparing various data sources to identify inconsistencies and to targeted reviews more directly.

In the meantime, it would be appropriate to continue to send the review forms in cases where there is no alternative process in place. It would be appropriate for the Revenue Service to evaluate the review periods to ensure that the period between reviews is too long for some exceptions. To this end, it would be appropriate to assess the frequency of implementation of the process during the year and the length of time allowed as a parameter for the various exemptions. Some specific cases of exemptions and discounts were discussed with Service officers and it was agreed that these will be addressed further in order to ensure their appropriateness.

Audit Opinion

(B) The audit opinion is that partial assurance of financial propriety can be expressed in Council Tax discounts and exemptions 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 arrangements currently in place for establishing those Council Tax accounts that are to be reviewed should be evaluated.**
- **There should proceed to adopt data comparison practices as periodic processes and reducing the use of status declaration forms that are sent to individuals liable for Council Tax.**

LOCAL REGENERATION OFFICERS Economy and Community

Purpose of the Audit

The purpose of the audit was to ensure that the service of the Local Regeneration Team meet the Council's strategic expectations and the requirements of residents, and that there are adequate arrangements for the management and monitoring of resources and service performance.

Scope of the Audit

Verify that the service offered by the Local Regeneration Team meets the expected objectives in line with the Council's strategy, with the service targeted at the right parties and communities. Check that the Local Regeneration officers offer the service to the public in accordance with the duties of their jobs. Verify that adequate arrangements are in place for managing and monitoring the performance and costs of the service's resources.

Main Findings

It was seen that the Local Regeneration Team works with voluntary groups, social enterprises and partnerships to identify opportunities and implement regeneration projects in their area, with a number of projects receiving support in areas dispersed across the county. Instances were identified where the Local Regeneration Team could improve their monitoring and control arrangements in terms of resources, including reviewing the system for recording and approving annual leave and TOIL, and travel expenses. In addition, errors were identified in performance measures figures for 2012-13 and drawn to the attention of the to the Local Regeneration Team.

Audit Opinion

(B) The audit opinion is that partial assurance of financial propriety can be expressed in the arrangements of Local Regeneration Officers 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 criteria to be met before voluntary groups, social enterprises and partnerships can be selected to receive support should be documented in the form of guidelines and distributed to Regeneration Officers.**
- **A checklist should be prepared, listing what Regeneration Officers are expected to verify, and the criteria that voluntary groups, social enterprises and partnerships are expected to meet in order to receive their support. The Regeneration Officers should be asked to complete and date the checklists for the occasions where voluntary groups, social enterprises and partnerships receive their help with projects or not, if they did not meet the criteria.**

COUNTRY PARKS

Economy and Community

Purpose of the Audit

Ensure that appropriate arrangements are in place at the Country Parks, in order to manage and mitigate risks in accordance with the financial regulations of the Council and other relevant procedures.

Scope of the Audit

Visit Glynllifon and Padarn Country Parks and verify that appropriate arrangements are in place in the parks for the management of various risks. Audit of the main areas of expenditure and income as entered in the ledger (Cedar) for 2012/13 and 2013/14.

Main Findings

The main findings of the audit were issues relating to the lease of the shop at Glynllifon Country Park, and there was no clause in the lease with regards to key matters.

Current risk assessments did not exist in the Parks.

Audit Opinion

(C) The audit opinion is that assurance of financial propriety cannot be expressed in Country Parks 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:

- **It should be ensured that the staff overtime forms are certified by the budget holder on each occasion.**
- **When income is received, a receipt should be completed from the TR32 book and that the receipt number is recorded on the TR34 'Receipts and Banking' sheet.**
- **Monies owed to the Council should be collected as soon as possible.**
- **When the shop is re-let an appropriate lease should be drawn up with a dedicated clause in it clarifying the issues raised.**
- **There should periodic checks that the money collected from the security company and stated on the reports had been paid into the relevant income account.**
- **The correct rate of VAT should be charged on electricity recharges in accordance with HM Revenue and Customs.**

"GWYNEDD NI" **Customer Care**

Purpose of the Audit

The purpose of the audit was to ensure that appropriate controls are in place for the Gwynedd Ni service.

Scope of the Audit

The scope of the audit included a review of Gwynedd Ni's methods for organising and delivering their services and presentations, ensuring that they are aligned with the objectives of the Council as well as good practice. In addition, a review of the appropriateness of the expenditure of Gwynedd Ni was undertaken.

Main Findings

During the audit it was seen that Gwynedd Ni has established a variety of appropriate contact methods for children and families to access information and have adopted a variety of methods to promote their use. It was noted that there is scope to add to the ways in place to widen engagement with clients. Gwynedd Ni was found to be striving to maintain contact with various agencies to ensure that the information they provide to their clients is accurate and relevant, and plans were seen to formalise the accounts of the material collected by the clients in order to evaluate the most relevant topics and to ensure that sufficient material relating to those subjects is available.

Audit Opinion

(A) The audit opinion is that assurance of financial propriety can be expressed in "Gwynedd Ni" as the controls in place can be relied upon and have been adhered to. There is one recommendation:

- **There should be an aim for links to Gwynedd Ni web sites to appear to pupils when they use a web browser in schools.**

LAPTOP SECURITY

Customer Care

Purpose of the Audit

The purpose of the audit was to review the controls in place for the protection of laptop computers that are used for Council business and the data that is stored on them.

Scope of the Audit

The audit included a review of the Council's IT inventory and arrangements for maintaining it together and the measures and policies in place for the protection of laptop computers and data on them including providing guidance to their users.

Main Findings

There is a need to establish an arrangement that improves control over the laptops that are issued by the IT Service. It would be appropriate for this arrangement to be the initial step for setting up a corporate procedure for the management of all assets which the Council has provided for staff to perform their duties.

Over the years, the IT Service has not been in a position to be able to update their records of users and location of laptops and there are now a number that can not be accounted for. It is not possible to state whether this has led to a compromise of data security because the contents of the discs of these devices cannot be established. However, it is certainly not appropriate for the situation to continue. It is reasonable to suggest that there is a strong likelihood that the deficiencies in establishing responsibility for managing laptops after they are issued to users by the IT Service will result in financial losses where the devices cannot be accounted for, but there has been no conclusive evidence of that in during the fieldwork conducted for this audit.

There is a need to designate official responsibilities for the laptops that are issued to consumers and the consequent duties and accountability needs to be made clear.

Consumers need to be made fully aware of the expectations of them in relation to the use of laptops from a security perspective.

The standard images that are installed on laptops by the IT Service currently ensures that the discs are encrypted and there are other security controls such as firewall and anti-virus software. This reduces security risks in relation to these laptops.

At the time of this audit, there is a continuing process of transferring each client device to an operating system that will continue to be supported and patched in accordance with the requirements of appropriate safety standards. Following achievement of this process it would be appropriate to establish a system that would prevent successful links to data and network resources to any client device that is not running the appropriate operating system.

Audit Opinion

(C) The audit opinion is that assurance of financial propriety cannot be expressed in laptop security 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 responsibilities for managing laptop computers issued by the IT Service should be officially designated and it should make clear what the expectations are relating to these responsibilities. This should be done in a way that would allow merging this list with other databases in the Council of various assets that have been issued to staff.**

CHILDREN - POST-CARE ALLOWANCES

Social Services, Housing and Leisure

Purpose of the Audit

The purpose of the audit is to ensure that adequate internal controls exist within the Council in the administration of the post-16 children budget.

Scope of the Audit

The audit covered checking a sample of post-16 allowances paid in the financial years 2012-13 and 2013-14, and ensure that those who have receive assistance are eligible to do so.

Main Findings

The main findings arising from the audit is that assurance can be provided that those leaving care in Gwynedd receive the support expected from the Council, but that some of the internal controls within the Service need to be tightened.

Audit Opinion

(B) The audit opinion is that partial assurance of financial propriety can be expressed in Children - Post-care Allowances 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 document 'Summary of Financial Support for Individuals Leaving Care' should be updated.**
- **A current record should be kept of one-off spending, without VAT, in order to see the amount of spending that has been made per individual.**
- **The net amounts and the VAT element should be noted on the yellow coding slips when paying VAT invoices.**
- **Where practicable, an official order should be raised before goods or service are received.**

BRYN BLODAU, LLAN FFESTINIOG
Social Services, Housing and Leisure

Purpose of the Audit

Ensure that financial and security arrangements and at Bryn Blodau Home are appropriate and in accordance with the Council's Financial Procedure Rules.

Scope of the Audit

Audit the main areas of expenditure and income according to the 2012-13 and 2013-14 ledger along with the control arrangements of the Home.

Main Findings

It was found that examples of good practice are in place in some of the arrangements of the Home. However, it seems that there are examples of acting in contravention of the Council's administrative procedures and as a result in contravention of the Financial Procedure Rules. This was checked in different areas of the home such as financial arrangements, the appropriate process for ordering, receiving and paying for goods and services, arrangements for resident's pocket money and arrangements for the residents' amenity fund. Additional weaknesses were found in the arrangements for approving annual leave and these need to be reviewed as soon as possible. Because of this, appropriate measures 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 Bryn Blodau, Llan Ffestiniog 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:

- **Every effort should be made to avoid overspend on the managed budget. The relevant officer in each department should be aware of and careful of expenditure.**
- **An official order should be raised beforehand for all work, goods and services and when a verbal order is made due to urgency, a written official confirmation order should be sent the same day or the following working day.**
- **The residents' money cards should be completed accurately and in detail. The records should be signed by two officers or one officer and one resident. The balance of the previous card should be carried over to a new card in order to keep an accurate record.**
- **All parts of residents' care plans should be updated regularly.**

RECHARGEABLE WORKS

Highways and Municipal

Purpose of the Audit

The purpose of the audit is to review the arrangements of Highways and Municipal in claiming money for Rechargeable Works.

Scope of the Audit

The audit was completed by examining a sample of Rechargeable Work events / services in five areas - Arfon (B205), Dwyfor (B206), Meirionnydd (B207), Roads Lighting Unit (B208), Lighting Works (BG51) and A55 Anglesey Work (BF53), following through records in the Income / Debtors Unit and the Highways and Municipal Department. The records from financial year 2012/2013 were audited.

Main Findings

When looking at the arrangements for Rechargeable Works it was seen that strong arrangements of good practice are demonstrated at the Department with recovery arrangements that are in accordance with the Council's Financial Procedure Rules. We looked at arrangements in place to inform the Highway Work Unit when work costs need to be recovered and verified the arrangements for raising invoices accurately and promptly. It was seen that the arrangements are of a high standard. However, two improvements on good practice are suggested, which is to take photographs as additional evidence for the record sheet for each event and for the Legal Unit to delegate debt recovery work to a specific officer as soon as possible. Despite this, it was seen that there are arrangements in place for the effective recovery of costs.

Audit Opinion

(A) The audit opinion is that assurance of financial propriety can be expressed in Rechargeable Works as the controls in place can be relied upon and have been adhered to.

TRADE REFUSE Highways and Municipal

Purpose of the Audit

The purpose of the audit is to ensure that adequate internal controls are in place in the management and administration of the Council's Trade Refuse service.

Scope of the Audit

The audit will encompass checking a sample of contracts and invoices and the collection of income, the database and the collection lists, as well as the Council's arrangements to encourage businesses to use the service.

Main Findings

The main findings arising from the audit is that the new database of commercial waste is not being used to its full potential at the moment. By including a module within the database that can calculate the recycling discount as well as using the list prices to calculate the amounts to be invoiced, the risk of errors can be reduced and time would be saved for the Service.

Audit Opinion

(B) The audit opinion is that partial assurance of financial propriety can be expressed in Trade Refuse 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 potential of the Council's website should be maximised by including full and current information about the trade refuse collection.**
- **The information contained in the database should be used to invite businesses that have not renewed their trade refuse collection contract with the Council in the past to consider rejoining the service.**
- **Fees that are charged should be consistent with those advertised on the price list.**
- **The possibility of entering the list price to the database should be explored, including additional collections, as the database can calculate the amounts to be invoiced automatically based on the information that has been placed within the 'Collection Details' tab.**
- **It should be ensured that a business that is in debt to Gwynedd Council does not receive a trade refuse collection service on credit .**
- **Awareness should be raised of the existence and content of the Anti-Fraud, Anti-Bribery and Anti-Corruption Strategy as well as the Council's Whistleblowing Policy.**

DEVELOPMENT CONTROL - ENFORCEMENT Regulatory

Purpose of the Audit

The purpose of the audit was to ensure that the arrangements of the Planning Enforcement Unit for monitoring and enforcing conditions of planning applications that have been agreed or not are adequate, as well as ensuring that there is an adequate regime of identifying developments without planning permission.

Scope of the Audit

The audit checks the procedures within the Planning Enforcement Unit for monitoring compliance with the decisions of the Planning Committee, ensuring an efficient balance between being reactive and proactive.

An internal audit of the Planning Service was undertaken in the 1st quarter of 2013-14, which covered collaborations between the Planning Services, the Contact Centre and Siop Gwynedd. The purpose of the Planning Service audit was to ensure that appropriate procedures in place for receiving and processing planning applications, and dealing with enforcement complaints and planning queries. As part of the audit, a sample of enforcement complaints was reviewed to ensure that effective internal controls are in place for developments without planning permission, including that complaints are recorded, acknowledged, investigated and visited promptly and that robust arrangements are in place for taking action in cases where enforcement action is warranted. The audit was of the opinion that the arrangement of handling enforcement complaints is generally adequate.

Because of the audit conducted earlier in 2013-14, the scope of the 'Development Control - Enforcement' audit excludes the 'reactive' administrative procedures for monitoring developments. The audit instead verifies the resources that are assigned within the Planning Enforcement Unit to monitor compliance with the decisions of the Planning Committee, ensuring an efficient balance between being reactive and proactive.

Main Findings

In considering the arrangements in progress in the Planning Enforcement Strategy work programme, the arrangements of the Planning Service were seen to adequately monitor developments, taking into account the resources available and the recognition that it is not practical to monitor proactively all developments.

Audit Opinion

(B) The audit opinion is that partial assurance of propriety can be expressed in Development Control - Enforcement as there are aspects where some procedures can be strengthened, but plans are in hand to be put in place. There are no recommendations to this report, therefore, as the steps that have been identified by the Service, once achieved, will strengthen the control issues that have been identified.