

GWYNEDD COUNCIL

COMMITTEE	AUDIT COMMITTEE
DATE	6 MAY 2014
TITLE	REPORT OF THE CONTROL IMPROVEMENT WORKING GROUP
PURPOSE OF REPORT	TO REPORT ON THE MEETING HELD ON 4 APRIL 2014
AUTHOR	TREVOR O EDWARDS, CHAIR OF THE AUDIT COMMITTEE
ACTION	TO RECEIVE THE REPORT AND CONSIDER THE RECOMMENDATIONS

1. INTRODUCTION

1.1 The executive summaries of 16 internal audit reports were presented to the Audit Committee meeting on 20 February 2014, which represented reports that had been released between 1 November 2013 and 31 January 2014. Five of these reports received a 'C' opinion.

1.2 Consequently, the Committee resolved:

(a) To accept the report on the Internal Audit Section's work for the period between 1 November 2013 and 31 January 2014 and to support the recommendations already submitted to the managers of the relevant services for implementation.

(b) That the following members serve on the working group to consider the audits that received opinion category 'C':-

The Chair and Vice-chair of the committee and Councillors John Brynmor Hughes, Dafydd Meurig and Angela Russell.

2 WORKING GROUP MEETING

2.1 The Working Group meeting was held on 4 Ebrill in Ystafell Gwyrfai, with the Councillors John Brynmor Hughes, Dafydd Meurig ac Angela Russell and Dewi Morgan, Senior Manager Audit and Risk, present. Apologies were received from the Chair and Vice Chair of the Committee, who were both absent due to illness. The meeting was chaired by Councillor Angela Russell.

2.2 The reports that had received a 'C' opinion during the period under review were:

TITLE	DEPARTMENT	SERVICE
Use of Cetis / CALMS	Human Resources	Learning and Development
Data Protection - Clauses in Job Descriptions	Corporate	
Country Parks	Economy and Community	Maritime and country parks
Laptop Security	Customer Care	Information Technology
Bryn Blodau, Llan Ffestiniog	Social Services, Housing and Leisure	Residential and Day

2.3 Officers attended to discuss the five reports.

2.4 These summaries were addressed in turn by the Working Group members. The Senior Manager Audit and Risk offered further background, which included presenting the relevant points of the full reports. Senior Managers had been invited to attend the meeting to discuss issues that arise, and in particular the work that has been done since the publication of the report in order to strengthen internal controls in question.

2.5 Bryn Blodau, Llan Ffestiniog

2.5.1 The main findings of the report were:

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.

2.5.2 Gwenno Williams, Senior Executive Manager, was welcomed to the meeting.

2.5.3 It was noted by the Senior Manager Audit and Risk that this audit has been conducted at the request of the Senior Executive Manager, who had asked Internal Audit to review some specific issues in the home. It was decided to conduct a full establishment audit, and in the end the report contained 29 recommendations.

2.5.4 The Senior Executive Manager explained that the issues had arisen in the home following the secondment of the permanent manager to manage another home, with another officer who worked at the home being appointed as Acting Manager.

2.5.5 In light of the weaknesses highlighted in the report, another experienced manager has been seconded to Bryn Blodau since January.

2.5.6 Bryn Blodau is one of the Council's largest residential homes. There are 34 residents, as well as 8 further occupants of the Dementia Unit that is on site. The Residential Home and Dementia Unit are administered as a single establishment

2.5.7 The Senior Manager noted that not all of the risks that have been highlighted in the report are major risks. However, she acknowledged that there were a number of recommendations because as a lot of paperwork is not in place.

2.5.8 In addition to the weaknesses identified, the Senior Manager acknowledged further staffing problems, including long-term illness. She acknowledged that risks arise from appointing an inexperienced person to manage a large home.

2.5.9 A member asked if a common Staff Management System is in place. The Senior Manager replied that this is the next step to implement. Clerks go to every home at the moment, but there is some inconsistency in the way that different clerks undertake their duties. The intention, therefore, is to introduce a common system.

2.5.10 It was noted that holiday rights had caused particular complication because of shift work, and due to a combination of full time, part time and casual; a total of up to 40 staff work at the home. Members of the Working Group acknowledged that the work of the staff in residential homes is not easy.

2.5.11 A message that the Working Group was keen to emphasise is that while allowing flexibility is important, the core administrative work needs to be common for everyone.

2.5.12 Much work has been done to address the report's recommendations. It was noted by the Senior Manager Audit and Risk that follow-up work on Bryn Blodau is scheduled for the summer; it was also noted that similar audit work at other homes is included in the 2014/15 plan.

2.5.13 The Senior Executive Manager was asked that since an experienced manager has now been seconded to Bryn Blodau, is there now a risk of weaknesses being caused in the usual home of that manager. The Senior Manager's response was that she was confident that appropriate arrangements are in place in that home which means that similar problems should not arise there. She also noted that CSSIW rules mean that no person may be a manager on more than one home. However, the manager of homes meet once a month to share ideas and experiences.

2.5.14 The Senior Executive Manager was thanked for her ready answers. The Working Group was satisfied that arrangements have been put in place to address the weaknesses identified in the report.

2.6 Use of Cetus / CALMS

2.6.1 The main findings of this report were:

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.

2.6.2 Carey Cartwright, Learning and Development Manager, was welcomed to the meeting. The Chair congratulated him on winning the "Respect" award at the recent "The Council at its Best" awards ceremony.

2.6.3 The Senior Manager Audit and Risk explained that CALMS is a software package that has been bought by the Council to make staff aware of policies that are important to them - its former name was Cetus. When new policies are published, a summary of the policy appear in CALMS, with a need for the officer to answer quiz questions, and then to agree to accept and comply with the policy. However, the audit had shown that the percentage of staff who had accepted some of these policies are very low, and technical problems have meant that not everyone has the system appearing when starting their computers. Because CALMS is seen as an important tool to ensure the spread of important policies, the failure of the system creates a risk to the Council.

2.6.4 The Learning and Development Manager reiterated that reading a summary of the policy alone is not enough. The policy is followed by a test, to show that the individual has understood. He noted that a threshold could be set for passing the test, and the number of questions can be varied.

2.6.5 After passing the test, a message asks the employee to agree to accept the policy.

2.6.6 Therefore, there are three steps: **Reading, Understanding, Accepting.**

2.6.7 The latest policy to be placed on CALMS is the Child and Adult Protection Policy. At the time of the audit, not much time had passed since the policy was installed on the system, and only 4.75% of staff had accepted it. This is a more challenging, longer policy which is more difficult to pass. By now, the percentage that have received the test is more encouraging: 459 have begun the work and 424 have been completed it.

2.6.8 The Learning and Development Manager was keen to stress the need to be aware of the requirement to reach the entire workforce and reliance cannot be placed solely on CALMS to share information – the entire workforce does not have access to a computer. However, it was noted that the system is now available in schools.

2.6.9 With regard to the failure of the system to open on all computers, the Learning and Development Manager recognises that technical problems have arisen. When opening a computer, a script is run to see if there are new policies that need to be accepted. It seems that the necessary message does not appear to all, but the IT Unit has looked into the issue and there is no obvious pattern in terms of who gets the required messages, and who does not.

- 2.6.10 It was noted that one other thing that comes out of the report was the role of different teams in the process, and in particular ownership of policies. The procedure that has now been adopted is that an email is sent out by the head of the department that owns the policy to inform everyone that a new policy is on the system, since they are responsible for ensuring compliance with the policy.
- 2.6.11 Ensuring ownership of the policy is an important step forward, as Learning and Development only administers the system, and the policy owners are expected to seek performance information and statistics and act on this if necessary.
- 2.6.12 It was noted by one of the members that there is a danger for some of the questions on the test to be too technical without really adding to the understanding and appreciation of the area (e.g. in which year was the applicable legislation was passed).
- 2.6.13 The Learning and Development Manager was thanked for attending the meeting and he expressed that he would appreciate the support to push for a solution to the information technology problem.**

2.7 Data Protection - Clauses in Job Descriptions

2.7.1 The main findings of this report were:

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.

2.7.2 This audit was conducted at the request of the Head of Customer Care; since February 2013 a request has been sent to all heads of departments asking them to add the following clause to the job descriptions of all employees as part of the process of ensuring information security:

"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."

2.7.3 It was reported to the Working Group that the Head of Adults, Health and Well-being (the former Head of Customer Care) and the Information Manager has been invited to attend the meeting. Unfortunately, due to illness and bereavement, it was not possible for either of them to attend the meeting. The Senior Manager Audit and Risk reported that he had received information from the Head of Adults, Health and Well-being and that he was happy that this was sufficient for the purposes of the Working Group .

2.7.4 The auditors had looked at a sample of job descriptions for posts that had been advertised since the message had been sent to departments. The audit highlighted that the arrangements have been inconsistent across the Council. Only four departments – the Trunk Road Agency, Finance, Economy & Community and Strategic & Improvement – had included the clause in every job description in the sample. However, it was noted that the number of posts that had been filled during this period is relatively low.

2.7.5 The Senior Manager Audit and Risk reported that the Head of Adults, Health and Well-being – who continues to have responsibility for this area following the recent restructuring – had informed him that she has now had a chance to review the situation. Rather than trying to replicate the original arrangements and ensure that managers place the clause in new job descriptions and review current job descriptions, the Information Unit has decided to try to deal with the matter in a different way.

2.7.6 The Head had noted that it is clear from the audit work that the first attempt had not received much attention, and so she felt it would be more effective to use a different approach.

2.7.7 The Human Resources Department has now put an arrangement in place where Support Unit staff will go through each job description before their publication on the web, in order

to ensure it contains the relevant clause: if not, it will be returned to the relevant manager for amendment.

2.7.8 In addition, it was reported that the Senior Manager Human Resources is leading a workstream within “The Gwynedd Way” to review job descriptions. This will mean adding several clauses to job descriptions, and the aim is to include the Data Protection clause as one of this package.

2.7.9 The Senior Manager Audit and Risk reported that he was satisfied with this way of proceeding, and if implemented properly this should be more effective than the original arrangements. The follow-up work will be held before 30 June, which will then provide an opportunity to ensure that the new procedures are in place and working effectively.

2.7.10 The Working Group welcomed the message and agreed that this should be a more effective approach.

2.8 Country Parks

2.8.1 The main findings of this report were:

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.

2.8.2 Llyr B Jones (Senior Manager Economy and Community) and Barry Davies (Maritime and Country Parks Officer) were welcomed to the meeting.

2.8.3 The final report included 18 recommendations. The Senior Audit and Risk reported that this audit has focused on the Council's two country parks, looking at the following areas :

- Salary payments are complete and accurate.
- Income is being properly administered.
- That there is a proper process of ordering, receiving and paying for goods and services.
- Adequate Budgetary Control exists.
- Appropriate use of the imprest account.
- Appropriate control on the use of council vehicles.
- Adequate health and safety arrangements are in place.

2.8.4 It was noted by the Senior Manager Economy and Community that this is a time of great changes in the country parks. These changes are already in operation in Parc Glynllifon, and pending at Parc Padarn.

2.8.5 It was noted that the management of Parc Glynllifon has been identified as an area for efficiency savings and cuts. The number of jobs there has reduced from 4 to 2; the post of Park Manager and shop worker have been repealed. This has led to a wholesale change in the management of the site.

2.8.6 The Senior Manager Audit and Risk reported that defects in the original lease with the tenant of the cafe was the main weakness had been identified in the audit. The Senior Manager Economy and Community acknowledged this, but noted that the lease had to be implemented quickly at the time because of the need for it to be in place before the Urdd National Eisteddfod in Glynllifon in June 2012. It was emphasized that the lease has been strengthened since.

2.8.7 Although there are craft units on the site, in terms of the administration of Glynllifon, the Senior Manager Economic and Community stated that there are 3 main elements: the shop, the Cafe and the Country Park. Historically, the Council has run the shop and park, and the cafe outsourced to a tenant. Before the current arrangement, the cafe has been put out to tender, but quality issues had arisen.

2.8.8 A decision was made to transfer the shop to the private sector, offering the café and shop as one package, but some complications arose due to TUPE requirements which resulted in additional costs.

- 2.8.9 By now the lease has expired, with the current tenant retaining the cafe, but with a new company running the shop since just before Christmas 2013. Interim agreements are currently in place, with the Legal Unit working on a new agreement.
- 2.8.10 Since the current system of collecting entrance fee is not ideal, but income must be generated, the Glynllifon Working Group is looking at options at the moment.
- 2.8.11 In terms of the recommendations of the report, it was noted that all had been implemented by now, except for:
- A16 (Ensure that a current inventory is kept of furniture, fixtures and equipment at the Parks) - this has not yet completed*
- A18 (There should be a system in place where copies are received annually of the tenants' public and employer liability insurance policies) – there is a need to look further on this because of the reduction in staff resources. There are no arrangements to monitor annually, because of the capacity of existing staff .*
- 2.8.12 A member asked about the harm that had been caused in the country parks by the recent severe weather. It was reported that the damage at Glynllifon has been significant, with the team from Parc Padarn working at Glynllifon for a week to make the site safe. The Maritime and Country Parks Officer was keen to stress that the two officers who remain at Glynllifon are highly enthusiastic and active.
- 2.8.13 Going forward, it was reported by the Senior Manager Economy and Community that there will be fewer complications with TUPE. In addition, grants have been received to allow new work in the yard and improve the link between the shop and the craft units.
- 2.8.14 In terms of goods ordered, the service has moved on to an electronic ordering system instead of paper-based ordering. This should improve the efficiency of the arrangements.
- 2.8.15 Enquiries were made about any upcoming changes in Parc Padarn. The Senior Manager Economy and Community noted that discussions need to be carried out, and added that the provision of country parks in the long term will have to be look at because of the financial situation.
- 2.8.16 The officers were thanked for attending and for their ready answers. Members of the Working Group were satisfied that the Economy and Community Department has appropriate arrangements to deal with the issues that were highlighted in the report.**

2.9 Laptop Security

2.9.1 The main findings of this report were:

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.

2.9.2 Huw Ynyr, Senior Manager Information Technology, was welcomed to the meeting.

2.9.3 The Senior Manager Audit and Risk said that discussions had been held with the Senior Manager Information Technology during the work, and that while this audit focussed on the security of laptops in particular, it was agreed that a discussion is to be had about safety of all assets that are issued to Council officers (e.g. phones, keys, ID cards, etc.).

2.9.4 The Senior Manager Information Technology noted that he wished to report to the Working Group on where we are now, and where he wants to be. He reported that he was confident about the regime that is in place when new computer assets now come into the Council. When an asset is received it is scanned with the serial number being noted in a dedicated database containing details of the assets used. For example, members were assured that if an iPad is lost there is a way – as long as the battery has not run out – to discover it and remotely destroy the information contained on it.

2.9.5 What happens in practice, however, is that when a person leaves a job the asset is transferred to another person. If the person leaves the employment of the Council, there is no trail to demonstrate where the asset is.

2.9.6 As part of the scheme to transfer Council computers to using Windows 7 as an operating system rather than Windows XP, bespoke software is added on the computer that creates a database to show where the computer is. If the laptop has not connected with the network for some time, this can be identified. However, it is possible to say now if that

computer has connected to the network. Also, the software within Windows 7 means that the laptop is useless if it falls into the wrong hands.

2.9.7 The main weakness so far in the field of tracking computer asset is a lack of resources to do the job. However, a Security Engineer post is being advertised at the moment, and interviews will be held during the week commencing 7 April. The post has an extensive program of work – the work described here is just one part of the job. After the end of July the work of comparing information will occur. There will be a work programme at that time, but the information is not mature enough at the moment.

2.9.8 The Senior Manager was thanked for his contribution, and for explaining the situation and technical issues in an open and simple manner. Following the discussion, the Working Group was keen to make the following recommendations to the Audit Committee:

- 1. That work is commissioned on all assets that are allocated to officers, not just information technology equipment.**
- 2. Departments should face the cost of replacing items that have gone missing – these items should not be paid for from the renovation fund.**
- 3. That a report is submitted to the Audit Committee highlighting how much money is saved when buying an iPad tablet for Council members and to moving away from paper documentation.**