

GWYNEDD COUNCIL

COMMITTEE	AUDIT COMMITTEE
DATE	18 DECEMBER 2014
TITLE	OUTPUT OF INTERNAL AUDIT
PURPOSE OF REPORT	TO OUTLINE THE WORK OF INTERNAL AUDIT FOR THE PERIOD TO 30 NOVEMBER 2014
AUTHOR	DEWI MORGAN, SENIOR MANAGER REVENUES 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 15 September 2014 to 30 November 2014.

2. WORK COMPLETED DURING THE PERIOD

2.1 The following audit work was completed in the period to 30 November 2014:

Description	Number
Reports on Audits from the Operational Plan	13
Other Reports (memoranda etc)	1
Grant Reviews	2
Follow-up Audits	9
Responsive Audit	1

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

TITLE	DEPARTMENT	SERVICE	OPINION	APPENDIX
Sickness Arrangements - Referrals to Occupational Health	Corporate		B	Appendix 1
Payments System - Closure 2013-14	Finance	Financial	B	Appendix 2
Bank Reconciliation - Closure 2013-14	Finance	Accountancy	A	Appendix 3
CHAPS Payments	Finance	Accountancy	A	Appendix 4
Gwynedd Pension Fund - Closure 2013-14	Finance	Pensions and Payroll	A	Appendix 5
Payroll System - Closure 2013-14	Finance	Pensions and Payroll	A	Appendix 6
Leisure Centres	Economy and Community	Leisure	C	Appendix 7
Beaches	Economy and Community	Maritime and Country Parks	B	Appendix 8
Safety at Recycling Centres	Highways and Municipal	Waste Management and Streetscene	A	Appendix 9
Planning Service - Planning Decisions	Regulatory	Planning	B	Appendix 10
Joint Planning Policy Committee	Regulatory	Planning	A	Appendix 11
Food Hygiene, Health and Safety Inspection Programmes	Regulatory	Public Protection	C	Appendix 12
Gwynedd Consultancy Projects Risk Registers	Gwynedd Consultancy	Engineering and Building Control	B	Appendix 13

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:

- **Disclosure Arrangements - Awareness of the Whistleblowing Policy (Corporate).** The aim of the audit was to conduct a review of the awareness of Gwynedd Council staff about the Council's Whistleblowing and Disclosure Policy as well as ascertaining the general views of Council staff towards the whistleblowing policy and procedures by using a dedicated questionnaire. A questionnaire had been distributed by Internal Audit to staff at the main offices of the Council in 2010, and the aim of the audit was to compare the results of two exercises to see if there has been progress in levels of staff awareness of the policy, and if they are more willing to "blow the whistle" since 2010. We will report fully on the results of the review to the Audit Committee in February 2015.

2.3 Grants

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

- Out of School Childcare Grant (*Children and Family Support*)
- Sustainable Waste Management Grant (*Highways and Municipal*)

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
Bryn Blodau, Llan Ffestiniog	Adults, Health and Wellbeing	Residential and Day	Acceptable
Overnight Arrangements at Council Homes	Adults, Health and Wellbeing	Residential and Day	Acceptable
Verification of Performance Measures	Corporate		Excellent
School Statistics and Censuses	Education		Excellent
Schools Effectiveness Grant and Pupil Deprivation Grant	Education	Pupils and Inclusion	Unsatisfactory
Subsidised Travel Tickets	Regulatory	Transport and Street Care	Unsatisfactory
Ports	Economy and Community	Maritime and Country Parks	Unsatisfactory
Corporate Complaints Procedure	Corporate		Acceptable
Follow-up to Reviews on Gwynedd Consultancy	Gwynedd Consultancy	Buildings and Environmental	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 30 June 2014

Direct Payments
Software Licences (Schools)

Completion Target: Quarter ending 31 December 2014

Leasing Arrangements in Schools
Laptop Security
Overtime Claims Procedures
Arrangements for Registering Births, Deaths and Marriages

Completion Target: Quarter ending 31 March 2015

Communities First (New Programme)
Staff Protection Register
Plas Ogwen
Country Parks

Completion Target: Quarter ending 30 June 2015

Officers Gifts and Hospitality
Leisure Centres
Food Hygiene, Health and Safety Inspection Programmes

2.5 Responsive AuditsStreet Naming

- 2.5.1 A responsive audit was undertaken on the Council's arrangements for naming new housing developments. This was after the Chair of the Audit Committee received allegations by a member of the public about weaknesses in the system, which meant that the name of a housing development built in 2010 has been changed abruptly in early 2014, and that the first that residents knew of the new name was on receipt of Council Tax bills in March 2014.
- 2.5.2 In conducting the review, it was seen that the matter has already been subject to the Council's complaints process. The Audit Committee needs to be aware that its role is not to intervene or re-run the complaints process, but rather identify any control weaknesses that have been highlighted, and what the Council should do, if anything, to address the risks that have arisen.
- 2.5.3 The specific risk in this case is that the Council has not fulfilled its statutory duties in relation to informing relevant stakeholders about the names of developments.
- 2.5.4 The auditor found that it is the developer's responsibility to apply for the official name for a new housing development, and for informing residents appropriately. The developer should contact the Street Naming Unit within the YGC, which would then consult with the Community Council for possible names. In the case in question, although residents have begun to move to the new development around 2010, it was in February 2012 that Gwynedd Council received a request from the developer for the name of the development. A name was suggested by the relevant Community Council in April 2012, and Gwynedd Council notified the developer of this in September 2012, a delay of 5 months. However, due to an oversight this letter was not sent to the Council Tax service until January 2014.
- 2.5.5 It is emphasized that Council Tax was paid on the property, but on the basis of the name on the planning application (ie with the name "land near ..."). Internal Audit is satisfied that this human error occurred in one case, and is not a sign of overall weakness. However, it was found that YGC has strengthened its arrangements in order to avoid this in the future.
- 2.5.6 In summary, therefore, the findings of Internal Audit was that there had been delays on the part of the developer until 2012 before applying to officially name the development, a delay which had been compounded – but not caused – by an error within the Council. Timely correspondence between YGC and Council Tax would have meant that the issue would have become apparent a year earlier.

3 WORK IN PROGRESS

3.1 The following work was in progress as at 1 December 2014.

3.2 Draft reports released

- Debtors System - Review of Key Controls (*Finance*)
- Industrial and Technology Units (*Economy and Community*)
- Families First Grant (*Children and Family Support*)
- Collaboration - Road Safety Partnership (*Regulatory*)

3.3 Work in progress

- Pupil Deprivation Grant (*Education*)
- ICT in Secondary Schools (*Education*)
- The Succession Plan and Workforce Planning (*Corporate*)
- Mobile Phones (*Corporate*)
- NFI (National Fraud Initiative) (*Corporate*)
- Protocol for Member-Officer Relations (*Corporate*)
- Gwynedd Pension Fund - Review of Key Controls (*Finance*)
- Bank Reconciliation - Review of Key Controls (*Finance*)
- Treasury Management (*Finance*)
- Payroll System - Review of Key Controls (*Finance*)
- Council Tax System - Review of Key Controls (*Finance*)
- NNDR System - Review of Key Controls (*Finance*)
- IT - Backups and Service Continuity (*Finance*)
- Welsh Church Fund (*Economy and Community*)
- Gwynedd Museum and Gallery (*Economy and Community*)
- Yr Hafan, Pwllheli (*Economy and Community*)
- Follow-up - Country Parks (*Economy and Community*)
- Follow-up - Direct Payments (*Adults, Health and Wellbeing*)
- Follow-up - Leasing Arrangements in Schools (*Education*)
- Shift arrangements at Residential Homes (*Adults, Health and Wellbeing*)
- Collaboration with the Health Board (*Children and Family Support*)
- Children's Services - Commissioning of Care (*Children and Family Support*)
- Looked After Children - Education and Health Assessments (*Children and Family Support*)
- Fleet Management (*Highways and Municipal*)
- Briwet Bridge (*Regulatory*)
- Integrated Transport Unit (*Regulatory*)

4. RECOMMENDATION

4.1 The Committee is requested to accept this report on the work of the Internal Audit Section in the period from 15 September 2014 to 30 November 2014, comment on the contents in accordance with members' wishes, and support the recommendations already presented to the relevant service managers for implementation.

SICKNESS ARRANGEMENTS - REFERRALS TO OCCUPATIONAL HEALTH Corporate

Purpose of the Audit

The purpose of the audit was to review the arrangements in place for the management of sickness absence across the Council as well as the arrangements for referral to the Occupational Health Service.

Scope of the Audit

The audit focussed on the measures that are in place for the recording, management and review of sickness absence of Council staff including arrangements for referral to the Occupational Health Service. The audit also encompassed ensuring that measures are in place to control and reduce the incidence of sickness absence. This audit did not include a review of the implementation of pay adjustments due to illness.

Main Findings

During the audit, illness reports were verified as well as records of cases referred to the Occupational Health Unit. It was found that the Occupational Health Unit has conducted several initiatives during the year to promote awareness of the Unit.

Elements of duplication were highlighted, with officers within services recording absences and then passing them on to the Support Unit to be inputted into the system and then on again to be inputted by the Payroll Unit for processing. A Posts System has been developed and consideration is being given for the implementation of the ability to record sickness absence once on the system, with the units / services inputting the data themselves. This would mean reducing the steps in the process and removing unnecessary duplication which will free up resources so that their focus can be diverted. This is consistent with the principles of Ffordd Gwynedd.

The Occupational Health Unit does not have an electronic system for the cases referred to them, all their records are on paper, with all cases referred to the Unit being recorded in a book. A system is in the process of being developed by the Information Technology Unit. A system that meets all their requirements would facilitate the administration of cases that are referred and enable the Unit to work more efficiently by reducing delays before the first appointment with the nurse as well as making the ability to monitor situations easier.

Audit Opinion

(B) The audit opinion is that partial assurance of propriety can be expressed in Sickness Arrangements - Referrals to Occupational Health 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's 'Management of Sickness Absence' policy should be kept up to date to be consistent with legislation as it applies to all Council staff.**
- **Information regarding referral to Occupational Health should be kept current to avoid any misunderstanding.**
- **A solution should be found to remove the need to enter sickness absence data twice to the modules in the Cyborg payroll system whether through Posts System or other means.**
- **All forms should be up to date and included on the intranet.**

PAYMENTS SYSTEM - CLOSURE 2013-14
Finance

Purpose of the Audit

The Code of Audit Practice of the Auditor General for Wales, April 2010, states that the external auditors, when carrying out their audit of the Council's accounts, will rely where possible on the work of Internal Audit (and others). As a result, the Joint Protocol between External Audit and Internal Audit, approved by the Audit Committee on 17 November 2011, states:

“As part of their key role in reporting upon the adequacy of internal control, and providing a basis for the authority's Annual Governance Statement, which is required to be published with the Council's annual statement of accounts, it is expected that Internal Audit will test key controls of the Council's major financial systems on an annual basis.”

The payments system is considered a "major financial system" in accordance with the Wales Audit Office's definition. The purpose of the audit was to ensure that appropriate arrangements are in place arrangements for shutting down the financial year, by confirming that appropriate reconciliations are being undertaken.

Scope of the Audit

To check that the reconciliations involved in the exercise of closing the previous year are carried out in a timely manner and that they are complete and accurate, as well as ensuring that appropriate provision for expenditure.

Main Findings

It was seen that appropriate arrangements are in place for closing down the financial year in the payment system. Appropriate reconciliations were undertaken, in a timely manner, and that they are complete and accurate, and that reserves were created correctly.

However, it was discovered that some of the invoices in the sample of invoices checked, that had been received between 1 April 2014 and 9 April 2014, and had been included on the batch heading sheet TR257 that was marked for 'New Year 2014 / 2015 ', were invoices for goods or services received before 31/03/2014. This is contrary to standard accounting rules and closing down guidelines for Officers and Managers issued by the Finance Department. The Head of Finance will contact the relevant Services directly.

Audit Opinion

(B) The audit opinion is that partial assurance of financial propriety can be expressed in Payments System - Closure 2013-14 as controls are in place, but there are aspects where some procedures can be strengthened. The main recommendations of the report are as follows:

- **Managers and Officers of all Council Services should ensure that invoices are marked with the correct year and in accordance with the Closing Down Guidance for Officers and Managers issued by the Finance Department, to enable the Payments Unit to allocate the expenditure to the correct the financial year in accordance with Accounting Standards.**

BANK RECONCILIATION - CLOSURE 2013-14**Finance**Purpose of the Audit

The Code of Audit Practice of the Auditor General for Wales, April 2010, states that the external auditors, when carrying out their audit of the Council's accounts, will rely where possible on the work of Internal Audit (and others). As a result, the Joint Protocol between External Audit and Internal Audit, approved by the Audit Committee on 17 November 2011, states:

“As part of their key role in reporting upon the adequacy of internal control, and providing a basis for the authority's Annual Governance Statement, which is required to be published with the Council's annual statement of accounts, it is expected that Internal Audit will test key controls of the Council's major financial systems on an annual basis”.

Bank reconciliation arrangements are considered a "major financial system" as defined in the Wales Audit Office, and therefore a review of closing down this system was undertaken. The purpose of the audit was to ensure that procedures are in place and have been documented for maintaining year-end bank reconciliation.

Scope of the Audit

To check year-end processes and procedures.

Main Findings

It was found that the relevant year-end reconciliations were completed in accordance with the expected procedure.

Audit Opinion

- (A) The audit opinion is that assurance of financial propriety can be expressed in Bank Reconciliation - Closure 2013-14 as the controls in place can be relied upon and have been adhered to.**

CHAPS PAYMENTS

Finance

Purpose of the Audit

The purpose of the audit was to review the measures and procedures in relation to CHAPS payments.

Scope of the Audit

The audit focussed on the measures that are in place for making CHAPS payments including arrangements for authorising payments. The audit also included a review of a sample of CHAPS payments made during the last financial year to ensure that they are suitable.

Main Findings

It was discovered during the audit that there are specific arrangements in place for receiving and processing CHAPS payments, including controls to ensure that the payments are eligible and accurate. This procedure is documented in the 'CHAPS payments' guidelines.

There is no separate system in place for CHAPS payments, however all payments are recorded on a specific sheet and then the steps of auditing, inputting, implementation and authorisation are made by four different authorised officers. It is necessary that three different officers process CHAPS payments in accordance with the requirements of the Bank and the banking system.

There are a number of different cases that arise and which justify the use of CHAPS payments and documentation was seen in each case to support the payments. There is a cost of £5 attached to all CHAPS payments, and the amount of £15 for payments made abroad. One case was seen where the employee had submitted a timesheet late, and a CHAPS payment had been made. It is set out in the 'Policy Statement on: advance of pay', that "submitting a late claim ... the Payroll Section will not consider making a special payment". This payment could have been paid by BACS.

Audit Opinion

(A) The audit opinion is that assurance of financial propriety can be expressed in CHAPS Payments as the controls in place can be relied upon and have been adhered to. However, one recommendation is offered.

- **There should be adequate and acceptable justification for all CHAPS payment made.**

GWYNEDD PENSION FUND - CLOSURE 2013-14**Finance**Purpose of the Audit

The Code of Audit Practice of the Auditor General for Wales, April 2010, states that the external auditors, when carrying out their audit of the Council's accounts, will rely where possible on the work of Internal Audit (and others). As a result, the Joint Protocol between External Audit and Internal Audit, approved by the Audit Committee on 17 November 2011, states:

“As part of their key role in reporting upon the adequacy of internal control, and providing a basis for the authority's Annual Governance Statement, which is required to be published with the Council's annual statement of accounts, it is expected that Internal Audit will test key controls of the Council's major financial systems on an annual basis.”

Although the administration of the Gwynedd Pension Fund relies heavily on the Council's major financial systems, the administrative system of the Fund is considered a "significant financial system" in itself in accordance with the Wales Audit Office definition, and therefore a review of the key controls of this system was undertaken.

Scope of the Audit

To review the procedures that are in place to close the administration of the previous financial year as appropriate.

Main Findings

It was found that the expected arrangements are in place. The only weakness seen was one outside the control of the Pensions Unit as they rely on the employers to provide them with information about active and deferred members. Requests for this information have been made to the employers, but not all employers have responded.

Audit Opinion

- (A) The audit opinion is that assurance of financial propriety can be expressed in Gwynedd Pension Fund - Closure 2013-14 as the controls in place can be relied upon and have been adhered to.**

PAYROLL SYSTEM - CLOSURE 2013-14**Finance**Purpose of the Audit

The Code of Audit Practice of the Auditor General for Wales, April 2010, states that the external auditors, when carrying out their audit of the Council's accounts, will rely where possible on the work of Internal Audit (and others). As a result, the Joint Protocol between External Audit and Internal Audit, approved by the Audit Committee on 17 November 2011, states:

“As part of their key role in reporting upon the adequacy of internal control, and providing a basis for the authority's Annual Governance Statement, which is required to be published with the Council's annual statement of accounts, it is expected that Internal Audit will test key controls of the Council's major financial systems on an annual basis.”

The payroll system is considered a "major financial system" as defined in the Wales Audit Office, and therefore a review of the key controls of this system is to be undertaken.

Scope of the Audit

The scope of the audit was to verify the year-end arrangements to ensure that the relevant information is sent to HM Revenues as Customs as well as ensuring that reconciliations are carried out to ensure that the information in the ledger is correct.

Main Findings

It was found that the relevant work of sending information to HM Revenue and Customs has been completed as well as the reconciliation, in line with expectations.

Audit Opinion

- (A) The audit opinion is that assurance of financial propriety can be expressed in Payroll System - Closure 2013-14 as the controls in place can be relied upon and have been adhered to.**

LEISURE CENTRES Economy and Community

Purpose of the Audit

Ensure that arrangements are in place in the leisure centres to manage and mitigate risks appropriately, and in accordance with internal procedures of the Council and other relevant procedures.

Scope of the Audit

To visit a sample of 4 leisure centres to test the controls in place to mitigate a range of risks in the administration and management of the centres. The leisure centres audited were Dwyfor Leisure Centre, Glan Wnion Leisure Centre, Penllyn Leisure Centre and Bangor Swimming Pool.

Main Findings

Examples of good practice and robust controls were found to be in place in some of the Leisure Centres audited, in order to mitigate a range of risks in the administration and management of the centres. However, it was found that a number of the areas examined need further attention, especially in the areas of health and safety, banking of income and stock control. A number of weaknesses have been found and because of this appropriate steps should be taken to strengthen the arrangements in some of the areas examined. The Leisure Centre Service is in the process of reorganisation in order to strive to manage leisure centres and mitigate risks better in the future.

Audit Opinion

(C) The audit opinion is that assurance of financial propriety cannot be expressed in Leisure Centres as the controls in place cannot be relied upon, but losses/fraud due to these weaknesses were not discovered. This conclusion was reached due to the substantial weaknesses discovered in the administration of one of the centres in the sample that was reviewed. The main recommendations of the report are as follows:

- **Leisure centre staff should complete a memorandum to explain the reason for any banking discrepancy over / under £3 that is identified, by signing and submitting the memorandum to the Manager of the leisure centre in future.**
- **Leisure centre staff should sign a money banking receipt from the security company when they are banking income with them on all occasions in the future.**
- **The leisure centre should keep vending machine stock level control and monitoring spreadsheets complete and up to date, recording all stock ordered and sold at the leisure centre on the spreadsheet.**
- **The leisure centre should conduct fire drills in accordance with its 'Fire Management Plan' in the future.**
- **The leisure centre risk assessments should be reviewed and updated in the near future, and the leisure centre should review and update risk assessments annually in the future.**
- **There should be better monitoring of the termination dates of the qualifications of officers at the leisure centre, and the leisure centre officers should attend relevant training to update their qualifications in a timely manner and in accordance with the requirements.**

BEACHES

Economy and Community

Purpose of the Audit

The purpose of the audit is to ensure that adequate arrangements are in place at the Council's beaches to manage the risks in the areas of collecting and banking income, maritime vessel registration, health and safety and the use of council vehicles.

Scope of the Audit

To verify the procedures and controls in place at a sample of beaches to mitigate a range of risks in the above areas.

Main Findings

It was found that robust arrangements are in place for collecting and banking income in some beaches, but arrangements can be tightened at others. Good arrangements were seen in some areas of health and safety at the beaches, but there is a need for the Maritime and Country Parks Service to ensure that reviews of risk assessments and safety equipment checks at the beaches are completed timely, and that shortcomings in safety equipment at the beaches are addressed in a timely manner.

Audit Opinion

- (B) The audit opinion is that partial assurance of financial propriety can be expressed at the beaches 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 daily income reconciliation arrangements that are in place at Morfa Bychan beach should be established at Abersoch and Machroes, highlighting the need for staff at the beach to reconcile income daily.**
 - **The TR34 forms and beaches' 'Statement of Reconciliation' forms should be completed fully in the future, with the 'Statement of Reconciliation' forms being signed and dated by the Beach Assistants when they transfer income.**
 - **The arrangements for power boat and watercraft launch pass receipts that are in place at Morfa Bychan beach should also be established at Abersoch, to allow differentiation of the income when it is referenced on the beach's TR34 forms.**
 - **Beach staff should be reminded of the importance of identifying the customer's name and the type of income that has been received on the receipts.**
 - **All risk assessments should be reviewed and updated annually, with the assessment date box on the risk assessments being completed. Checks on beaches' safety equipment should be completed in accordance with the timetable that has been set by the Maritime and Country Parks Service, with these checks being recorded on the 'Coastal and Parks Equipment Safety Monitoring Form', which is fortnightly in the summer and monthly during the winter.**
 - **Any defects to beach safety equipment should be addressed in a timely manner in the future.**

SAFETY AT RECYCLING CENTRES

Highways and Municipal

Purpose of the Audit

The purpose of the audit was to ensure that the health and safety procedures in the Council's recycling centres are adequate.

Scope of the Audit

The audit encompassed checking the health and safety arrangements at the Council's recycling centres, including ensuring that all centres complete appropriate risk assessments, that staff are properly trained, that there are adequate fire safety arrangements and that arrangements of overall safety are promoted in the centres.

Main Findings

The Council's Health and Safety Officers conduct timely internal audits on the recycling centres, which amongst others things encompass the health and safety arrangements. In addition, the centres are audited externally by BSI against standards ISO 14001 and BS OHSAS 18001.

In considering the arrangements already in place to examine the health and safety arrangements in the Council's recycling centres, rather than visiting centres to conduct direct audit testing, the arrangements of the Advisory Services within Human Resources were reviewed to obtain assurance that these independent checks on the internal controls are appropriate.

A meeting was conducted with the Council's Health and Safety officers to discuss the plan and audit programme, as well as risk management arrangements and event recording.

BSI's report, dated 21/07/14, expressed:

"The internal audit plan is in place and audits are conducted generally in line with the Schedule; it is planned to ensure each element of the standard is covered for each Service annually (not necessarily each location) "

When inspecting the audit reports, the BSI is of the opinion that they "demonstrated good trail evidence and have identified pertinent non-conformities."

As the current arrangements meet the requirements of BSI, Internal Audit has no recommendations.

Audit Opinion

(A) The audit opinion is that assurance of propriety can be expressed in safety arrangements at recycling centres as the controls in place can be relied upon and have been adhered to.

PLANNING SERVICE - PLANNING DECISIONS Regulatory

Purpose of the Audit

The purpose of the audit is to review the internal controls that exist for Development Control service with a particular emphasis on the time taken to agree an application in accordance with current work processes.

Scope of the Audit

To verify the arrangements within the Planning Services, to ensure that appropriate procedures are in place for receiving and processing planning applications in a timely manner. The audit focussed on large applications only, that represent 1% of all requests received in the department. A sample of 10 such applications was selected for audit.

Main Findings

We found some examples of good practice within the Planning Service, particularly in the process of receiving and validating an application, selection and informing consultees. However, there is a need for better arrangements for monitoring and recording responses from consultees and recording that recommendations have been communicated to the applicant where applicable. It was also seen that there is a need for more robust arrangements for recording discussions with regards to pre-application advice. However, the Senior Manager Planning and Environment confirmed that this arrangement is in the process of being formalised and that a new procedure, including a fee for the service, will be in place by April 2015.

In general, looking through the files, although there are some parts of the process that need to be tightened, it was found that the Service is responding as expected on the whole.

It was seen that consultation, the results of the consultation and the requirement for the applicant to provide plans or additional information to address specific planning issue were the main reason for delay in agreeing planning applications in the sample of 10 files. It was also seen that arranging Section 106 Agreements add significantly to the number of days to reach a decision because the department is dependent on the applicant's solicitors for completion.

Audit Opinion

- (B) The audit opinion is that partial assurance of propriety can be expressed in the Planning Decisions process as controls are in place, but there are aspects where some procedures can be strengthened. The main recommendations of the report are as follows:**
- **Correspondence to confirm pre-application advice should be sent to the applicant and a copy of it has been retained to ensure that there is no misinterpretation of the advice given and that the documentation is consistent throughout the application.**
 - **The applicant should receive notification of any additional information required as soon as possible.**
 - **Consideration should be given to the creation of a system to monitor responses by key consultees of the application to ensure that there is no delay in the decision on the application.**
 - **The addition of the timetable for sending the decision report to the flow chart should be considered, to ensure consistency.**

JOINT PLANNING POLICY COMMITTEE
Regulatory

Purpose of the Audit

The purpose of the audit is to ensure that proper budgetary controls and governance arrangements are attached to the running of the Joint Planning Policy Committee.

Scope of the Audit

The audit encompasses the appointment of members of the Committee and verifying the arrangements for governance, budgetary control and administration of the Joint Planning Policy Committee.

Main Findings

The main findings from the audit is that the Committee has good Corporate Governance arrangements. However, there are a handful of examples of acting in contravention of the Council's administrative procedures when ordering.

Audit Opinion

- (A) The audit opinion is that assurance of financial propriety can be expressed in Joint Planning Policy Committee as the controls in place can be relied upon and have been adhered to. However, the auditor would like to offer the following recommendations:**
- **The Complaints Policy should be created by the time the Joint Local Development Plan is adopted.**
 - **An order for any work or external service should be raised in order to agree the price and to record the goods or service that are expected.**
 - **There should be a separation of duties between the officer who ordered goods or services and the officer certifying the invoice for payment in order to comply with the Council's Financial Procedure Rules 20.15 to 20.33, the section relating to "Ordering and Payment for work, goods and services".**

FOOD HYGIENE, HEALTH AND SAFETY INSPECTION PROGRAMMES Regulatory

Purpose of the Audit

A request was received from the Head of Regulatory to review Food, Health and Safety inspection programmes following an external report by the Food Standards Agency which has identified significant weaknesses. There is a need to ensure robust arrangements within the Public Protection Services to prepare and deliver Food, Health and Safety inspection programmes appropriately and in accordance with national standards and rules and requirements of the Food Standards Agency.

Scope of the Audit

To audit the Service's arrangements for preparing, assessing, implementing and recording the results of the Food, Health and Safety hygiene review programmes.

Main Findings

Significant progress has been made by the Department to try to ensure that they address deficiencies identified in the Food Standards Agency's audit report. It was seen that good practice has now been developed in a number of procedures within the service. Detailed new Food Inspections forms have been produced and piloted. New guidelines, the Food Procedure Notes, have also been developed for the service. These were in draft form at the time of the audit with a view to final approval and publication as soon as possible. However, there are some issues that have not been implemented by the service. It is seen that there are weaknesses in the internal monitoring system and in delegation arrangements should an officer be absent from work, and the Service should ensure that the relevant documents are presented in a final form as soon as possible.

Audit Opinion

(C) The audit opinion is that assurance of propriety cannot be expressed in Food Hygiene, Health and Safety Inspection Programmes as the controls in place cannot be relied upon, but progress has been made in dealing with these management weaknesses. The main recommendations of the report are as follows:

- **The service plan for the Food Unit, which has reviewed the performance of the previous year, should be finally approved for 2014/2015 by an authorised officer.**
- **The current guidelines should receive final approval as a matter of priority.**
- **There should be robust arrangements in place to regularly review policies and guidelines eg annually, and approved by an authorised person. There is a need to ensure that any guidelines / policies that need to be replaced are removed from office and computer so that officials do not implement those that are obsolete.**
- **There is a need to ensure that all documents are included in the current file and reach the expectations of the Food Standards Agency.**
- **There database needs to be monitored regularly, i.e. monthly by the authorised officer, and any discrepancy / inaccuracy should be resolved immediately.**
- **The information on the FLARE system should be consistent with the information contained in the files and should be up to date. There is also a need to consider choosing one system to keep documents to reduce the risk of duplication.**

GWYNEDD CONSULTANCY PROJECTS RISK REGISTERS

Gwynedd Consultancy

Purpose of the Audit

The purpose of the audit was to ensure that YGC's project risk management arrangements are appropriate.

Scope of the Audit

The audit encompasses checking the risk registers of individual projects, as well as reviewing YGC's internal audit arrangements for programming and delivery of audit work. A sample of 11 recent YGC projects was selected that reflect a cross-section of different types of work the Department has been undertaken, e.g. large and small projects, buildings, civil and coastal.

Main Findings

An email was sent to every project manager (there were 10 different project managers in the sample) requesting the risk register for the projects selected. From the responses received, it was seen that there is some misunderstanding of what constitutes a risk register, and a lack of awareness of the difference between risk registers (a register of risks specific to the project's success) and risk assessments (a register of health and safety risks). Only one risk register was presented by the project managers to the auditor while the rest were risk assessments (ie Health and Safety).

It is not necessary for each project, especially the smaller projects, to have a risk register, but lack of awareness of what constitutes a risk register suggests that it is not something that is generally done within the YGC. A risk register should not be maintained merely because it is mandatory within a policy document, but because it is seen as a useful tool to ensure project success. A risk register is not expected for every project, but one is expected where proportionate to the size of the project.

In accordance with the requirements of ISO 9001:2008 YGC officers undertake timely internal audit on the teams and systems of the Department. In addition, YGC, including their own internal audit arrangements, are examined externally by BSI against the requirements of the ISO 9001:2008, BS EN ISO 14001:2004 and BS OHSAS 18001:2007 standards.

Audit Opinion

- (B) The audit opinion is that partial assurance can be stated in the propriety of YGC Project Risk Registers as it does not appear that there is sufficient use of risk registers within individual projects as a way of ensuring that the objectives are realised. *SOP-02 Project Management Standard Operating Procedure* offers some element of compensating controls, but the audit is of the opinion that stronger encouragement is needed to consider operational risks within projects. The audit includes one recommendation:**
- **Project managers should consider drawing up a risk register for all projects of a certain size, which is a document identifying the risks to the success of the project, in accordance with paragraph 3.1.6 of the *SOP-02 Project Management Standard Operating Procedure*.**