

COMMITTEE	AUDIT AND GOVERNANCE COMMITTEE
DATE	10 MAY 2018
TITLE	OUTPUT OF THE INTERNAL AUDIT SECTION
PURPOSE OF REPORT	TO OUTLINE THE WORK OF INTERNAL AUDIT FOR THE PERIOD TO 31 MARCH 2018
AUTHOR	LUNED FÔN JONES – AUDIT MANAGER
ACTION	TO RECEIVE THE REPORT, COMMENT ON THE CONTENTS AND SUPPORT THE ACTIONS THAT HAVE ALREADY BEEN AGREED WITH THE RELEVANT SERVICES

1. INTRODUCTION

1.1 The following report summarises the work of the Internal Audit Section for the period from 29 January 2018 to 31 March 2018.

2. WORK COMPLETED DURING THE PERIOD

2.1 The following work was completed in the period to 31 March 2018:

Description	Number
Reports on Audits from the Operational Plan	16

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 March 2018, indicating the relevant opinion category and a reference to the relevant appendix.

TITLE	DEPARTMENT	SERVICE	OPINION	APPENDIX
Staff Development Module	Corporate	-	C	Appendix 1
Obtaining References, Proof of Identity and Evidence of Qualifications	Corporate	-	C	Appendix 2
School Meals Income	Education	Schools	No Category	Appendix 3
Food Hygiene	Environment	Public Protection	B	Appendix 4
Smallholdings	Environment	Council Land and Property	Ch	Appendix 5
School Schemes – Ysgol Glancegin	Environment	Council Land and Property	B	Appendix 6
Car Park Income	Environment	Transportation and Street Care	B	Appendix 7
Pension Fund – Annual Statements	Finance	Pensions and Payroll	A	Appendix 8
Benefits – Review of Key Controls	Finance	Revenue	A	Appendix 9
Storiol – Café Management Arrangements	Economy and Community	Record Offices, Museums and the Arts	No Category	Appendix 10
Victoria Dock	Economy and Community	Maritime and Country Parks	B	Appendix 11
Telecare	Adults, Health and Wellbeing	Adults	A	Appendix 12

TITLE	DEPARTMENT	SERVICE	OPINION	APPENDIX
Supported Housing	Adults, Health and Wellbeing	Residential and Day	C	Appendix 13
Y Frondeg	Adults, Health and Wellbeing	Residential and Day	No Category	Appendix 14
Arrangements for Children Leaving Care	Children and Family Support	Children and Families	B	Appendix 15
Recycling Targets	Highways and Municipal	Waste Management and Streets	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.

3. FOLLOW-UP WORK

3.1 New arrangements have been established for follow-up audits. In 2016/17, a total of 223 actions were agreed to be undertaken before 31 March 2018. Now, rather than carrying out a follow-up on only “C” opinion reports, all agreed actions will be addressed by requesting the unit/service/establishment to provide evidence to prove implementation. On 31 March 2018, there was acceptable implementation on **90.09%** of the agreed actions, i.e. 200 out of 222. One of the agreed actions was no longer applicable.

4. RECOMMENDATION

4.1 The Committee is requested to accept this report on the work of the Internal Audit Section in the period from 29 January 2018 to 31 March 2018, comment on the contents in accordance with members’ wishes, and support the actions agreed with the relevant service managers.

**STAFF DEVELOPMENT MODULE (MoDS)
CORPORATE**

1. Background

1.1 As part of the Council's broader project of combining several Human Resources systems within the Staff Self-Service system, the MoDS project was started in order to centralize all elements of staff learning and development. The MoDS will collect information from the Council Structure System, the Policy Centre and the E-Learning Portal and replace the Training Database and the 'Learning Link'. The project was discussed and initial documentation was presented in March 2009, resources became available for the project in 2013 but it was not started in its present form until 2016 due to the Council's priorities such as the Self-Service Systems.

2. Scope and Purpose of Audit

2.1 The purpose of the audit was to ensure that appropriate arrangements were in place to properly manage the project and report on its effectiveness. It was also essential to ensure that the product achieved what was required in the brief. In order to achieve this, the audit encompassed checking documentation relating to the project as well as questioning individuals involved in the management and technical arrangements of the project.

3. Main Findings

3.1 A copy of the project brief was received as well as other documentation regarding project management, such as a project application and a 'backlog' list. The information about the project's initial objectives and what technical tasks needed to be completed and when was complete. There was a lack of evidence of long-term planning for the project. It was not part of an official plan but it was expressed in a presentation to the project's stakeholders that the full 'SIDD (Integrated Learning and Development System) would be live by summer 2017'. Schedules/plans were seen for periods of three (September – November 2017) and five months (October 2017 – February 2018) but there was little evidence that the project adhered to the timescales or recorded reasoning for its failure to do so. In the September – November Schedule, the system was scheduled to be live between the 6th and 17th of November. Weekly meetings are now held between the IT officers and the Learning and Development Service Officers. At the time of conducting the audit, core elements of project management were not in place, such as:

- Risk and significant matter register – although there was an issue log kept by the IT Service, the risks of the project as a whole were unknown,
- Lessons learnt log,
- Any Financial monitoring documentation.

3.2 The Learning and Development Officer and the Training Co-ordinator and Business Development Officer emphasized that MoDS is a system for everyone not just the Learning and Development Service. It is therefore important for the system to meet the needs of each Council department. Overall, MoDS meets a large part of each department's needs with some departments such as YGC and Highways and Municipal eager for the launch of the module. Additional features and improvements were added following consultation with departments, particularly in relation to CPD.

- 3.3 Despite the fact that the module will meet the needs of the majority, officials of the Workforce Development Unit within the Adults, Health and Wellbeing Department explained that many individuals who are not employed by the Council receive training from the Council and cannot be registered for staff self-service. Arrangements are now in place to enable the recording of training of workers from external agencies, however this will be done by the Workforce Development Unit from the Adults, Health and Wellbeing Department. No request for this function was received at the beginning of the "life" of the project as there was no communication with the Adults, Health and Wellbeing Department regarding the project at the time. The Support Service have arrangements in place to register the Council's field workers on the staff self-service system that will enable access to the MoDS.
- 3.4 An external IT consultant was employed through an agency to undertake the project. The consultant ceased working with the Council on 17 November 2017. Details were extracted from the financial ledger and it was seen that a total of approximately £90k excluding VAT had been paid to the agency for the 12 month period. A 6 month contract was originally established with two further 3 month extensions. The project is funded by the Corporate Support Department. Responsibility for the operational development of the project has been transferred back to the Council's IT Service following the termination of the external IT Consultant service. It was explained that because of the lack of a clear and definitive brief of the needs and direction of the project, much of the consultant's time was spent collecting information and details rather than focusing on the technical elements.
- 3.5 The Internal Audit Service will conduct an audit on the use of the MoDS across the Council during the 2019/20 financial year.

4. Audit Opinion

(C) Certainty of propriety cannot be expressed regarding the project management of the Staff Development Module, as the controls in place cannot be relied upon, but losses/fraud due to these weaknesses were not discovered. The project team has committed to implementing the following steps to mitigate the risks highlighted:

- Produce a timetable for MoDS engagement and distribution.
- Produce a timetable for the last technical steps to get the system live.
- Produce a risk log and report on project risks to the Project Board.
- Prepare a log of lessons learned for the project and continue to complete it where appropriate until the end of the project.
- Re-visit the estimated savings figures and monitor the use of the MoDS to obtain a rough figure of the true saving.
- Prepare an engagement strategy and implement it before and during the Distribution of the MoDS.

**OBTAINING REFERENCES, PROOF OF IDENTITY AND EVIDENCE OF
QUALIFICATIONS
CORPORATE**

1. Background

- 1.1 The Council's Corporate Recruitment and Selection Policy has been established with the main intention of appointing the best officers to Council posts. Appointments will not be made if the applicant does not meet the 'Person Specification' requirements.
- 1.2 Part 15 of the Immigration, Asylum and Nationality Act 2006 states that all employers in the United Kingdom carry out basic checks of the documents of each individual they intend to employ. By doing these checks, the employer can be satisfied that they do not breach the law by employing illegal workers.

2. Purpose and Scope of Audit

- 2.1 The purpose of the audit was to ensure that Gwynedd Council complied with the recruitment and selection arrangements of the Authority's staff in relation to the acceptance of references, identity tests and the receiving evidence of qualifications.
- 2.2 The audit scope included selecting a sample of new appointments across Council departments administered by the Support Service, Corporate Support and ensuring sufficient evidence had been received for proof of identity and qualifications as well as that appropriate references were received in each case. The audit did not include the appointments of the Education Department, Municipal Work Service or the Community Care Service as they have their own administration arrangements.

3. Main Findings

- 3.1 It was found that arrangements were in place but they did not receive the necessary attention. Officers have been appointed to administer the arrangements but it is essential that all Council officers co-operate with them.
 - 3.1.1 The correspondence confirming the date and time of the interview notes that it is essential that the candidate brings any certificates or evidence of qualifications requested in the 'Person Specification' as well as proof of their identity with them to the interview. It is the responsibility of the relevant Service Managers to ensure that the evidence is appropriate, however, this does not happen in most cases.
 - 3.1.2 Human Resource Assistants are responsible for requesting references from the Referees, they also receive them before presenting them to the relevant Managers. In some cases they do not receive references and these need to be followed up which may be troublesome. If a period passes without receiving a reference then they ask the Manager to speak with the applicant and may ask them for another Referee. If it is an external candidate, the Manager will need to complete a risk assessment for them until a reference is received. The same procedure is administered for internal officers, but only one reference is required by the current Manager. In addition, if the officer receives promotion there is no need for a reference as they will have the same Manager.

- 3.1.3 A sample of 20 individuals who had received a new job during the last year was selected. Their personnel files were checked for evidence of their qualifications, references and proof of identity and the following was found:
- a) evidence of qualifications for 10 in the sample but there was no record in the files of the remainder that may mean that officers are in a job but lack the required qualifications;
 - b) references were received for 10 in the sample but there was no need for references for 7 other individuals in the sample as it appeared they had been promoted or seconded. No references were found for the other 3 in the sample. It was also noted that one of the certified references was not appropriate and was completed by the individual's Accountant.
 - c) proof of identity for 13 individuals in the sample.
- 3.1.4 New arrangements have come into force since 2018. Following appointment, the individual will receive a request from the Human Resources Assistants to visit Siop Gwynedd with evidence of their identity and qualifications if applicable. In addition, officers will receive the DBS forms of individuals (if applicable) at the same time, so that the process can be moved forward faster. It was inevitable to bring these arrangements into force due to failure on behalf of managers to receive evidence
- 3.1.5 A sample of Managers across Council Departments were asked regarding their arrangements for receiving references and if they follow any specific guidance. It was expressed that they did not have a formal guide to follow but it was clear that they were aware of the need to receive references.
- 3.1.6 It was discovered when checking the Council's intranet, in particular the References (FAQ) site - it is stated that if references are not received within a period of one month to the appointment, the Council will have the right to withdraw the post. However, the '1.6 Disclosure of Offences and Criminal Records Check' policy, expresses in part 1.11 *"The Council will allow an individual to commence in the post in a situation where the references have not been received but the period for receipt of those will be limited to two months following commencement in the post."* The Human Resources Advisory Services Manager confirmed that the information was inconsistent and needed to be adapted so that it is consistent with the Crime Disclosure Policy. The FAQ's also states that it is the responsibility of the individual to ensure that the Council receives references within a period of one month of their appointment which is also incorrect. However, it should be noted that this page is in the process of being developed.
- 3.1.7 The audit opinion does not reflect the work of the Council's Support Service but rather the lack of proper implementation of the Council Managers.

4. Audit Opinion

(C) No assurance of propriety can be given in the arrangements of obtaining references, proof of identity and evidence of qualifications as the controls in place cannot be relied upon. The relative officers have committed to implement the following steps to mitigate the risks highlighted:

- Support Service Manager to continue with the new arrangements for receiving evidence.
- Ensure that the information on the References page (FAQ) is consistent with what is set out in the Disclosure of Offences and Criminal Records Check policy.

SCHOOL MEALS INCOME EDUCATION

1. Background

1.1 The Council has introduced an option for parents or guardians of primary and special school children to pay online for goods or services for their children, such as school meals, music lessons etc. It is hoped that this would facilitate the payment, collection and administration of income, which ultimately will replace the bureaucratic administrative process of collecting cash and cheques in the school that comes with the current procedures.

1.2 The project is a partnership between Gwynedd Council, all the county's primary and special schools and Cynnal. The new system encompasses receiving income online through the School Gateway website, where it can be administered through the Schoolcomms system. The system is integrated with the current Education system, SIMS (and the dinner money module), which means that the children's attendance details can be linked with the costs owed, as well as informing catering workers how many meals to prepare.

2. Purpose and Scope of the Audit

2.1 The purpose of the audit was to ensure that the implementation of the online payment system meets the needs of all the stakeholders, including the schools, parents or guardians and the Council, by attending a series of progress meetings with project officers.

3. Main Findings

3.1 A number of benefits can be derived from adopting an effective system of electronic income collection, instead of from cash and cheques in the schools. It allows parents or guardians to make payments online at any time, which avoids the risks arising from giving the money to the pupils to pay the clerk, such as accidentally losing the money or from bullying, spending it on different goods or discriminating against children receiving free meals.

3.2 Administering cash and cheques in schools is very burdensome. The money needs to be collected, recorded and banked. It is then required to report to the Council details of what was banked, e.g. number of meals sold, debt levels etc. An effective system would calculate, record and bank the money immediately, automatically producing purposeful reports to the Council.

3.3 At the time of the audit, the ability to pay online was already operational, but the option to pay with cash or cheque remains. This means that there are two options in place with elements of duplication. It is reasonable that there is a period of time between the two arrangements to give parents the opportunity to become familiar with the new system and to encourage those who are generally reluctant or unable to pay online, but a plan for the full implementation of the system, including timetable and plans to encourage its use by parents or guardians, is needed.

- 3.4 At present, the money paid online is credited to the Income Unit's suspense account. However, it was not possible for the Income Unit to identify into which codes the money should be transferred to, so the balance was accumulating. It seems that reports can be created for this purpose, but that this was not known to the Income Unit until a recent meeting with Cynnal. A temporary arrangement is now in place where the reports will be produced and sent to the Income Unit, until the income codes are integrated into the system over the Summer, so the money can go straight to the codes without officers' intervention. However, it is expected that such weaknesses would have been identified during the development phase and before the system went live.
- 3.5 The new system can also be used to collect income to the schools' unofficial fund. This fund is independent of the Council's accounts, and money can be received by e.g. donations, contributions and through fundraising activities. As it is the school's unofficial fund, it is not subject to monitoring, expenditure and banking controls of the same scale as accounts that are financed by the Council. Bank account details are already in place so specific income streams can be paid into either the Council's account or the unofficial fund. However, it was discovered that Schoolcomms users can create new bank accounts and ensure that certain income streams go to that account. This can lead to fraud, and if there was a loss to the unofficial fund then it would be dependent on the individual arrangements of the school to discover, given the arm's length monitoring by the Council.

4. Audit Opinion

Internal Audit believes it is premature to give an official audit opinion as the system was not fully operational at the time of the audit. The Education Department has committed to implement the following steps to mitigate the risks highlighted:

- Continue to promote online payments on the Council's Facebook and Twitter accounts. The Education Department is in the process of creating a video to share with schools that will show how to pay online. Schools will be able to display it in their school, share it on Facebook and in e-mails to parents.
- Continue to discuss the short-term and long-term income coding process solution with Schoolcomms.
- Enquire with Schoolcomms about the controls that are in place in relation to opening a new bank account, and consider if they are adequate.

FOOD HYGIENE ENVIRONMENT

1. Background

1.1 Every food business is visited and audited by a Food Safety Officer, which concentrates on hygiene practices when handling food, the general condition of the building as well as how the business is managed. The majority of businesses will then receive a score, which they must display in a suitable place. Gwynedd Council runs the scheme, where over 2,000 food business are registered.

2. Purpose and scope of the Audit

2.1 The purpose of the audit was to ensure sufficient arrangements were in place to provide an effective service to the customers and businesses of Gwynedd.

2.2 The audit scope included reviewing arrangement for planning, conducting and administrating food hygiene visits, whilst ensuring that any recommendations from the Food Standards Agency have been implemented.

3. Main Findings

3.1 Generally, it appears that appropriate internal controls are in place considering cuts in resources, but there is need to tighten on the following aspects in order to reduce the risks identified.

3.1.1 Not all documents are loaded onto CIVICA (Environment's system), as it was seen on many occasions that documents were missing. The Public Protection Manager (Welfare) confirmed he would remind Officers of the need to document everything on CIVICA. However, he added that their time for admin work was short, with the majority of their working hours spent conducting visits. It was agreed that the quality of their work would be monitored on a monthly basis from now on.

3.1.2 If a food business is unhappy with their food hygiene score, an application can be made for a re-score, at a cost of £150. Re-score applications paid for by cheque are being considered before the payment is processed. It was seen that cheques were documented on a TR34 form, but not sent to the Cashier for processing for up to a week, with the re-score application having been processed in the meantime. The Service confirmed that re-score applications are not to be acted upon until a payment has been processed. Officers would be reminded of the correct procedures to follow via e-mail in the near future.

3.1.3 Not all Food Safety Officers document that they have completed the annual 10 hours of essential training in a timely manner. The Officers are responsible for documenting their training on iGwynedd, providing certificates to confirm this. A sample of 5 Officers were selected, with 2 having confirmed only 1.5 hours of relevant training for last year, with no certificates provided. The Public Protection Manager (Welfare) confirmed that this was not monitored, but that it is mandatory for the Officers to register with the Chartered Institute of Environmental Health annually, and proof of 10 hours relevant training must be provided in order to do so. During a recent meeting with the Public Protection Manager (Welfare), the Officers had updated their records, with some certificates having been provided. It was said that staff would receive a reminder of the need to update their records regularly.

- 3.1.4 The correct procedure for conducting interventions is not followed on all occasions. It was seen that many food businesses had not been told of the outcome of the intervention within the expected 14 days. In the same manner, it appears that not all complaints are dealt with in a timely manner. For one customer, no record was seen that a reply had been sent at all. The Public Protection Manager (Welfare) confirmed that he would remind the Officers of the need to follow the correct procedures at all times.
- 3.1.5 It was seen that every effort has been made to implement recommendations offered by the Food Standards Agency following their 2016 audit. A follow up audit was conducted recently, but the Public Protection Manager (Welfare) confirmed that no report has been received yet.

4. Audit opinion

(B) Partial assurance can be expressed in the department's arrangements, as there are controls in place, but there are some aspects where arrangements can be tightened. The Public Protection Manager (Welfare) has committed to implement the following steps to mitigate the risks identified.

- Remind Officers to load all documents on CIVICA.
- Monitor the quality of the Officers work on a monthly basis.
- Ensure that re-score applications are not acted upon until a payment has been processed.
- Process TR34 forms in a timely manner to ensure that a payment has been received before any re-visits are arranged.
- Remind the Officers to update their training records regularly.
- Ensure that the Officers are aware of the communication procedures to follow when conducting interventions and when dealing with complaints.

SMALLHOLDINGS ENVIRONMENT

1. Background

- 1.1 Gwynedd Council owns 49 smallholdings, which are relatively small units of land and property used for agricultural purposes. These smallholdings, totalling 3,135 acres, are rented out to tenants for an annual income of around £200,000. The smallholdings are managed by the Property Service.

2. Purpose and Scope of the Audit

- 2.1 The purpose of the audit was to ensure that there are appropriate controls in place for managing income from smallholdings. In order to achieve this, the audit included reviewing relevant income transactions from the ledger, ensuring that the tenants were invoiced appropriately and that monitoring arrangements are in place in order to monitor the payments made.

3. Main Findings

- 3.1 Plans are in place to change the way smallholdings are managed, with a ring-fenced budget from the 2018/19 financial year, and so to that end it was agreed that Internal Audit resources would be more effective by re-visiting the new procedures in due course. Accordingly, this audit was limited to the income process. Income transactions over several years were extracted from the financial ledger, ensuring that invoices were created on a regular basis and arrangements are in place for monitoring and receipt of the income.
- 3.1.1 The Financial ledger shows that the Council uses recurring billing, which means that invoices are automatically generated on a specific time of the year, for a certain number of years in line with the current lease, but controls within the financial system limited the years that this could be done. Although recurring billing is generally a good control to ensure that invoices are raised, there may have been too much reliance on the procedure to look after itself, and failures were not found. An invoice for £7,500 was created on the 25/06/13, which is a cumulative payment for a three year rent for Unit 5255 (job number), as the recurring billing between 11/01/10 and 12/01/14 had not occurred. There was also an invoice for £20,700 on 30/10/17 for Unit 5309 due to a failure to raise invoices for £6,900 on 28/05/15 and 28/05/16. The customer had been paying £575 per month, but now pays £625, which means that at this rate it will take 23 years to pay the arrears of £13,800.
- 3.1.2 The recurring billing process seems to have failed because the period during which the invoices are periodically created, which were limited within the financial system, had expired, and the monitoring arrangements of the Property Service and the Finance Department did not discover it. As a result, the Income Unit began creating periodic reports to identify when the recurring billing of smallholdings (as well as others) end and renew them in accordance with the terms of the current lease. However, following discussions as part of this audit, it was discovered that it was possible to extend the recurring billing periods in the system well into the future and therefore arrangements are in place to increase the billing periods of smallholdings accordingly. This will alleviate the risk of failing to raise a bill on a tenant.

- 3.1.3 A credit note for £4,800 was raised on 30/03/11 as the tenant had left Unit 5332 since March 2009, and credit notes totalling £19,500 was raised on 27/05/15 as the tenant had left Unit 5260 since 27/05/13. The failure to cancel the recurring bills and the need to raise credit notes suggests there are weaknesses in the tenancy monitoring process. However, the Income Unit explained that some recurring billing arrangements had been programmed for longer periods than the lease, in order to ensure that invoices were raised, as it was easier to raise a credit note as necessary instead of risking a failure to raise an invoice. Because recurring bills can now be extended well into the future, it is intended that the billing period for each lease would be extended within the financial system.
- 3.1.4 Should an invoice remain outstanding, then the Council's normal recovery arrangements will be followed to recover the debt. However, the ledger and the Income Unit records show that long delays can occur between raising an invoice and receiving payment, with the promptness of payments varying from one tenant to another. Some invoices have to be written off, including a number of back-dated rent invoices between 25/03/09 and 25/03/11 and one case where a cumulative debt of £38k over a number of years will be written off, due to a failure to re-posses Unit 5329 as there was no lease in place, despite efforts from the Legal Service to recover the debt. However, this arrangement was set under a historical process and the same failures are not expected to re-occur in the future.
- 3.1.5 Therefore, it seems the newer procedures require a strengthening of the current income monitoring arrangements, by ensuring that invoices are raised in accordance with the agreement and incorporating the status of invoices with regards to outstanding sums and the punctuality of paying invoices into the monitoring system, in order to address bad-debtors before the debt accumulates excessively. Naturally, some tenants are better payers than others, but it seems that the system of paying in instalments does not lead to such problems.

4. Audit Opinion

(CH) An assurance of financial propriety cannot be given in smallholdings income arrangements as the controls are not sufficient, and losses arising from these weaknesses have been identified. The Service has committed to implement the following to mitigate the risks highlighted:

- Income Unit to expand recurring billing periods.
- Income Unit and Property Service to agree the parameters for budgetary control reports.
- Adopt TF system for managing leases.
- Income Unit and Property Service to meet on a quarterly basis to discuss the situation of the agreements, including debts.

SCHOOL BUILDING PROJECTS – YSGOL GLANCEGIN ENVIRONMENT

1. Background

- 1.1 An invitation to tender was issued in November 2015 in order to appoint contractors to build the new Glancegin School, Bangor. Wynne Construction were appointed to undertake the work, which commenced in the summer of 2016. The School is now open but exterior work continues on landscaping and access to the building and grounds of the School.

2. Purpose and Scope of Audit

- 2.1 The purpose of the audit was to ensure that the budget and progress of the Ysgol Glancegin construction project were controlled adequately, ensuring that the proper arrangements for the tendering process had been followed, that payments to contractors involved in the project complied with the Procedure/Procurement Rules and that payments were calculated correctly and justified with adequate documents.

3. Main Findings

- 3.1 The original contract was valued at £4,439,000. Project Management Controls and arrangements were in place but there were some aspects, which could be improved for future projects.
- 3.1.1 6 companies who were part of the North Wales Contractors Framework (NWCF) were invited to tender but only two presented a tender. The Framework has not had the desired effect in Gwynedd and is being reviewed at present. Gwynedd were not satisfied with the original terms for the second version of the framework but following discussions and negotiations have decided to remain part of the framework. The aim is to share expertise within the sector and develop community benefits within Gwynedd while also including smaller companies/contractors.
- 3.1.2 Only the Property Development Manager had signed the final scoring sheet, all individuals who are part of the scoring process are expected to sign this document. However, the scoring process took place in December 2015 and the Project Manager has since agreed to this step in a separate audit, which was completed in July 2016. During a follow up audit this year, a scoring sheet dated February 2017 was seen which confirmed this step had been implemented.
- 3.1.3 Some of the payments for the 'interim valuations' were late compared to the due date and date of the valuations. However, it was seen that Gwynedd had not received the 'valuations' for several days after the issue date. It was found that the contract had been modified to reflect these terms regarding the payment date which indicated that the payments should be made within 14 days of receipt of the 'valuations' rather than by the due date.

3.1.4 The plans had to be adapted and additional work was carried out as some elements of the original designs and architect designs did not meet Health and Safety requirements. As a result, some elements of the construction have had to be re-done with Gwynedd responsible for the additional costs. Consultation earlier in the process and receiving consistent input from Health and Safety would avoid similar situations in the future. It was highlighted that other current projects have already started this consultation and collaboration process. The intention is to either avoid problems or discover them earlier during the construction to reduce the implications on the budget and the project's time/progress.

4. Audit Opinion

(B) Partial Assurance of propriety can be stated in the project management of Building Ysgol Glancegin; however, there are some aspects that could be improved. The Project Manager has committed to implementing the following steps to reduce the highlighted risks.

- Consult with Gwynedd's Health and Safety Officers earlier in future projects.

CAR PARK INCOME ENVIRONMENT

1. Background

- 1.1 Gwynedd Councils car park income is collected and presented to the bank by Security+. Every amount banked is processed to the Income Units holding account, until the corresponding report is received by Security+ confirming to which specific car parks the income relates.

2. Purpose and scope of the Audit

- 2.1 The purpose of the audit was to ensure that secure arrangements were in place with regards to collecting, monitoring and processing the income collected from Gwynedd's car parks. The audit scope included selecting a sample of income, checking that it had been processed timely and accurately within the Councils accounts.

3. Main Findings

- 3.1 Generally, it appears that appropriate arrangements are in place with regards to collecting and monitoring car park income, but there is need to tighten controls on the following aspects in order to reduce the risks identified.
- 3.1.1 It was seen that the income is banked by Security+ within two days of being collected. However, Hanley depot bank one lump sum, which matches the exact total of the reports sent to the Income Unit, but Leigh depot cannot provide the same service. As many as three different bankings will need to be combined in order to reconcile with the report. In the past this made it very difficult to identify the income, and lead to a delay of months before it was processed to the ledger. By now Security+ send regular e-mails to Income Reconciliation and Processing Officer, confirming which amounts correspond to which report. On average, the income is now processed within 10 days.
- 3.1.2 The reports received from Security+ can be difficult to understand, with the information laid out over two rows, and two machine numbers quoted for one amount, causing confusion as to which amount belong to which machine. A sample of 20 reports were selected, with 5 of them having not confirmed a machine number for some transactions. The Income Reconciliation and Processing Officer stated that such occurrences are processed to the unders and overs account. No enquiries are made in attempt to identify the income. A percentage of some car parks income is paid to the Town Councils, therefore it is essential that the income is recorded against the correct machine. The Income Reconciliation and Processing Officer agreed to ask Security+ for further information regarding all future transactions where no machine number is confirmed. The Parking Enforcement Manager also agreed to enquire with Security+ with regards to simplifying the reports.

- 3.1.3 A sample of 10 car parks were selected and checked to see that the machines were emptied in compliance with the agreed timetable. It was seen that collections have been missed for every car park in the sample, with many collections held on days different to those agreed upon. However, the Parking Enforcement Manager was confident that there were legitimate reasons for the missed collections, for example, that Security+ had trouble opening the machine. She confirmed that Security+ informed her instantly regarding any missed collections, and arranged to empty the machines the following day. She added, the only collections monitored are those relating to car parks the Council do not own, Galeri and Ffordd y Felin, as the Council receives a fee for these collections, with all proceeds being paid back to the owners.
- 3.1.4 A test ticket is printed on every occasion when emptying a machine, that confirms the amount expected in the cash box. However, there is no arrangement in place to ensure that the amount collected agrees with the test ticket. On occasions where it was not possible to print a test ticket, the Parking Enforcement Manager has the means to print the last 10 tickets of every machine. The information on the test ticket is repeated on the car park reports, showing clearly any discrepancies. The Parking Enforcement Manager confirmed that a lack of resources means that only discrepancies relating to Galeri and Ffordd y Felin are questioned. 30 test tickets were checked to see whether they agreed with the amounts banked. One machine was short of over £400.
- 3.1.5 The information received from Security+ is insufficient for the Environment Finance Unit to check that the car park income processed to the ledger agrees with the amount banked by Security+. At present, the figure banked is not documented on any report. The Finance Manager (Environment) confirmed the unit's needs, whilst the Parking Enforcement Manager agreed to enquire Security+.
- 3.1.6 No detailed account is being kept of the Income Units suspense account. All car park income (as well as any other unidentified transactions) are processed to the suspense account until the corresponding report is received. The balance of the suspense account at the end of 2016/17 financial year was -£5,838, when the balance as of the end of January 2018 was £760,851. This amount includes all unidentified income which has been banked, not car park income only.

4. Audit opinion

(B) Partial assurance can be expressed in the arrangements for receiving car park income, as there are controls in place, but there are some aspects where arrangements can be tightened. The units/services have committed to implement the following steps to mitigate the risks identified.

- Ensure that enquiries are made to identify any income where no machine number has been confirmed.
- Investigate and document any significant differences between the amount banked and the test ticket total.
- Make enquiries with Security+ in relation to receiving sufficient reports for the Finance Unit – Environment.
- Ensure that a detailed record is kept of the holding account.
- Consider the financial benefits of parking Council vehicles inside the Multi Storey car park in Caernarfon.

**PENSION FUND – ANNUAL STATEMENTS
FINANCE**

1. Background

- 1.1 From 2018 onwards, *benefit* statements will be uploaded to the Member's Self-service portal (HWA - <https://aelodau.cronfabensiwngwynedd.org.uk>) rather than being printed and sent to all fund members. The portal can be accessed by following the 'Pension Online' link from the Gwynedd Pension Fund website. This change aims to enable the members to better plan and manage their retirement, make savings by reducing printing and postage costs and reduce the Fund's carbon footprint. The Gwynedd Pension Fund (the Fund) sent a newsletter to its members as an appendix to the *benefit* statement for the 2016/17 tax year. The newsletter notes the Fund's intention to change to electronic communications and that paper statements will not be sent to the Fund's members unless they confirm, in writing that they wish to continue receiving them.

2. Scope and Purpose of Audit

- 2.1 The purpose of the audit was to ensure that suitable arrangements were in place to manage the transition from written statements being sent to fund members to an online system. In order to achieve this, the audit covered checking any discrepancies between what the old statements and the new online system offered, the process of transitioning from one system to another as well as checking the financial impact of the change.

3. Main Findings

- 3.1 Copies of the statement and newsletter sent in August 2017 were seen by the auditor. The information regarding the change from paper statements to online was clear and there were clear instructions to members of the fund of how to register on MSS. In The Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013, regulations 27 and 28 state that the recipient must be notified when a website is first used to distribute information. It also states that information about the website must be included and that members need to be notified 3 times for the change to communicate online before the Fund can terminate the issuing of letters to individuals. The auditor saw a draft copy of the first letter that will be sent, it noted the Fund's compliance with the above regulations and met all the requirements. The Senior Communications Officer (Pensions) stated that there was a plan to send the first letter before the end of April 2018, the second 6 weeks later and the third 6 weeks later.
- 3.2 It is mentioned in the newsletter that if an individual's e-mail address is not on the Fund's system, a letter will be sent to them within 10 working days containing an activation key to complete their registration on the website. However, after details are entered on the Member Self Service (MSS) site for the initial registration, a message appears stating that a letter will be sent within 3-5 working days. On the other hand, the registration process for individuals who already have their e-mail addresses on the Fund's system is simple and efficient.

- 3.3 The MSS website is relatively easy to find from the Fund's new public website (<http://www.cronfabensiwngwynedd.cymru> or <http://www.gwynedd-pensionfund.wales>). It was seen that the website offers the same details as those presented in paper statements as well as tabs such as 'estimate benefit' that enable members to calculate pensions/lump sums/ hypothetical death grants. The only confusing aspect of the site is that some special characters such as 'â' and 'ô' are displayed as 'i½'
- 3.4 Personal details (address, postcode, telephone number, e-mail address) can be changed by a fund member directly on the MSS website. Basic personal details such as names are extracted from the Altair system that is part of the same main system and MSS website. Members' financial details are updated annually or monthly, based on data received by employers.

4. **Audit Opinion**

- (A) **Assurance can be expressed in the arrangements for transitioning from paper annual statements to using the Member Self-Service portal, as there are controls in place. The Pensions Unit has committed to implement the following steps to mitigate the risks identified.**
- Ensure consistency between the Fund's website and the notification screen on the MSS by having them both state that letters containing activation keys will take 10 working days to arrive.
 - Ensure that the website supports special characters to ensure the MSS is accurate and correct.

**BENEFITS SYSTEM – REVIEW OF THE KEY CONTROLS
FINANCE**

1. Purpose and Scope of Audit

- 1.1 The Auditor General for Wales' Code of Practice, April 2014, states that the Authority's external auditors, in conducting their audit of the Council's accounts, will rely wherever possible on the work of Internal Audit (and others). The Benefits System is considered to be a "major financial system" and therefore a review of the key controls of this system was conducted.
- 1.2 The purpose of the audit was to ensure that there are appropriate arrangements in place to assess and process applications for benefits, that the benefits system calculates benefits correctly and that they are paid promptly. Confirm that appropriate reconciliations are held, review the unit's performance management arrangements and check there are sufficient data protection arrangements in place.
- 1.3 For the 2017-18 financial year, a sample of benefits applications were audited to ensure that appropriate assessments were undertaken. It was verified that reconciliations were conducted and that the benefits payments were calculated and paid accurately and promptly. The service's performance status was assessed on implementing benefit applications and notifications, and checks were made that the benefits system was effectively managed and that all the data was appropriately secured.

2. Main Findings

- 2.1 It was found that strong internal controls existed within the Benefit System's administrative arrangements.
- 2.1.1 There have been changes to the structure of the Unit during the last year, the Senior Benefit Officer was appointed Benefits Manager. No Senior Benefit Officer was appointed as such but additional responsibilities were given to others in the team.
- 2.1.2 A random sample of new applications was selected, checking that a risk score was recorded and that they had been correctly calculated and paid promptly. In addition, a sample of extended payments and requests for back-payments were checked, it was found that they were in accordance with current regulations.
- 2.1.3 The benefit system's parameters were checked to ensure that they were consistent with the Department of Work and Pensions document 'Housing Benefit Circular - HB A12 / 2016'. There were inconsistencies with 'Private Tenant Standard Amenities' rates, it was confirmed that the rates were incorrect and they have already been addressed by the Benefits Manager.
- 2.1.4 The Unit's performance statistics were checked, the average number of days taken to process a new benefit application and process notifications of a change in circumstances. Gwynedd's performance has fallen since last year (see table below), however, when compared to Wales and Britain's performance it continues to be good (see table below).

<u>Gwynedd</u>	Yearly Figures 2016/17	Quarter 1 Figures 2017/18	Quarter 2 Figures 2017/18
Process a new case (days)	16	19	20
Process a change in circumstances (days)	5	7	7

	Quarter 2 Figures 2017/18		
	Gwynedd	Wales	Britain
Process a new case (days)	20	20	23
Process a change in circumstances (days)	7	6	8

3. Audit Opinion

- (A) Certainty of propriety can be declared in the benefits system - review of the key controls as the internal controls that are in place can be relied upon and they have been followed.

**STORIEL – TREFNIADAU RHEOLI'R CAFFI
ECONOMI A CHYMUNED**

1. Background

1.1 Storiell is the new name of Gwynedd's Museum and Art Gallery, Bangor. The Council had leased Storiell Cafe's facilities to ensure consistent income, but this agreement ended early in 2018. In the meantime, the Economy and Community Department decided to carry out a trial period between April and September 2018 where the department will be responsible for managing and running the café.

2. Scope and Purpose of Audit

2.1 The purpose of the audit was to ensure that suitable arrangements are in place for Gwynedd Council to undertake the responsibility of managing Storiell Cafe in accordance with the relevant regulations and standards. In order to achieve this the audit included verifying that staffing arrangements, health and safety, budgetary arrangements and procurement and storage of goods and foods were adequate.

3. Main Findings

3.1 The Economy and Community Department has sought to ensure that suitable arrangements are in place for the trial period ensuring that the Council's rules and policies are followed where appropriate. The unpredictable element of managing a business for profit will introduce new challenges to the Department and they must wait to see how the scheme evolves to measure its success. In order to mitigate many of the risks and facilitate the trial period, the Shop and Museum staff at Storiell will accept responsibility for some of the aspects of managing the Café.

3.1.1 Staffing arrangements are in place, with job descriptions established for two new members of staff. The terms and conditions have been confirmed, although there are inconsistencies between the work hours on the contract and the "TR139 - New Appointment Form", and staff have already started on a training program. A budget has been set for staffing costs and the two new members will work to a rota on a various hours agreement and paid through time sheets. The budget will need to be carefully monitored if it is necessary to employ additional casual staff at busy times.

3.1.2 It was found that the ordering and procurement arrangements need to be confirmed. The nature of running a café means that staff will need to make orders at short notice frequently. This may be difficult to implement through the e-procurement system and discussions are required with the Procurement unit to agree the possibility of additional arrangements for minor and emergency orders, such as using an Order Book. The Service will need to consider establishing an arrangement that will allow staff to make orders on short notice, up to a specific threshold, by contacting the suppliers directly, without management authorisation. Appropriate compensatory controls will be required for such an arrangement.

3.1.3 The staff of the Shop at Storiell will be responsible for counting and arranging for the Café's income to be sent to the Bank, and to complete the relevant forms for the Income Unit. These staff members already deal with the income of the Shop and the Museum and therefore it is assumed that this would be the most suitable arrangement to ensure accuracy and consistency.

- 3.1.4 As there is not enough space to store the goods and foods in the kitchen, regular monitoring is required to ensure that goods are available when they need to be used. On the other hand it is expected that this lack of space will mean that excess goods and foods cannot be ordered which could result in wastage.
- 3.1.5 The Gwynedd Health and Safety Service will need to be consulted to ensure that the new café staff carry out all necessary training. There will be additional requirements due to dealing with food and cleaning products as well as moving heavy equipment. It is therefore essential that training on food hygiene and manual handling be completed as soon as possible. New staff will need to be aware of the legislation and arrangements for dealing with chemicals by receiving guidance on COSHH¹
- 3.1.6 Regular monitoring of the developments will be essential and a timely discussion will be required in order to decide whether to extend the trial period or re-tender the café's lease. It will be difficult to assess the success of the trial in a short period of 6 months. However, arrangements will be required either to ensure staffing commitment, or to prepare for the tender process if the café is to be leased again, to ensure that there is not a long period of lack of use and income from the facility.

4. Audit Opinion

It is assumed that it is untimely to give an official opinion, as the café had not re-opened during the audit. The Economy and Community Department have committed to implementing the actions identified in the body of the report to establish robust arrangements for managing Storiel Cafe.

¹ Control of Substances Hazardous to Health

VICTORIA DOCK ECONOMY AND COMMUNITY

1. Background

1.1 Gwynedd Council owns Victoria Dock and the Dock is managed by Caernarfon Harbour Trust (CHT). A formal agreement exists between Gwynedd Council and CHT detailing the financial terms as well as all other relevant terms.

1.2 There are up to 20 moorings for visitors to the dock. The number of visitor moorings varies as the length of each boat differs. There is a block of toilets and showers available for visitors, free wi-fi, webcams and recycling facilities. Red diesel is also sold.

2. Purpose and Scope of Audit

2.1 The purpose of the audit was to ensure that internal controls exist and are implemented in Victoria Dock. In order to achieve this, the audit covered the examination of a sample of financial transactions from the ledger to the monthly income and expenditure statements received from the Caernarfon Harbour Trust as well as the records held in the Dock for the 2017/18 financial year. In addition, the agreement between Gwynedd Council and Caernarfon Harbour Trust was checked as well as stock control, insurance arrangements etc.

3. Main Findings

3.1 Appropriate controls have been found to exist in Victoria Dock but some aspects need to be tightened.

3.1.1 All sales of diesel are receipted using the dedicated receipts book that has been prepared by the CHT which is also numbered. If a customer completes a payment with a card they receive a receipt from the card machine, the card machine prints two receipts, the customer's copy and a copy that is kept to balance the income. If a customer pays for electricity or a visit to the Dock with cash not all sales are receipted. The explanation given for this by the Dock Master was a lack of time.

3.1.2 The Victoria Dock fees list that has been agreed by the Council is not consistent with the fees list on the CHT website. In particular, there were inconsistencies in the electricity fees. See the table below comparing the electricity prices:

	Gwynedd Council Fees	CHT Fees
Annual Moorings	£16/metre +VAT (under review)	£11.93/metre +VAT
Visitors (daily)	£4.15 (including VAT)	£3.50 (including VAT)
Visitors (weekly)	£15.60 (including VAT)	£12 (including VAT)

- 3.1.3 Electric fees for annual berth holders is under review and at present the fee is calculated based on the previous year's electricity costs. There was a difference in the fee charged to daily visitors but whilst checking records on the 'Payments Received Sheet' it was seen that visitors were charged £3 not £ 3.50 or £ 4.15.
- 3.1.4 The Council's fee for registering interest in the waiting list is £ 100 (including VAT) this is also clearly stated on the CHT website. It was found that various sums had been received and it was explained that the fee raised historically was £40 and this is the fee that has been charged until recently. £100 is now charged for registering interest in the waiting list.
- 3.1.5 Whilst reconciling visitor records and sales of diesel and electricity, it was seen that a lot of work and administrative steps were part of the process. Records of the boats that visit the Dock are recorded on dedicated 'Visitor Cards', this information is then recorded on the 'Record of Casual Visitors' sheets and diesel sales are recorded on a dedicated spreadsheet. This information is then entered onto the 'Payments Received Sheets' that are transferred to the CHT office. Recording seems to be time consuming and at times the information is duplicated.
- 3.1.6 The Chief Maritime Officer and Administrative Assistant check the invoices received along with the expenditure statements on a monthly basis and question them if necessary. In the last year they have not been checking the income figures in detail. They do not receive a detailed breakdown of the income.
- 3.1.7 A Cleaner is employed by CHT to clean Victoria Dock's buildings but it became apparent that she is paid with cash so there are no tax and national insurance arrangements. If cash is paid the employee should agree to do this, Her Majesty's Revenue and Customs (HMRC) should be notified of the arrangements and the correct amounts of tax and national insurance contributions must be paid. This was highlighted in the 'Victoria Dock' audit report published in 2007 but the recommendation made at that time was not implemented.
- 3.1.8 The Dock Master only orders goods when he sees that stock is getting low, usually goods are checked after they are received. However, he did not have a stock plan and stock checks were not carried out.

4. Audit Opinion

(B) Partial assurance can be expressed of propriety in Victoria Dock's arrangements as controls have been established, but there are aspects where some arrangements can be tightened. The relevant officers have committed to implement the following steps to mitigate the risks highlighted:

- Doc Master to ensure that a receipt is given for all payments made with cash using a dedicated receipts book.
- Caernarfon Harbour Trust to ensure that the correct fees are charged to the customers and that their website is updated with the current information.
- Streamline the arrangements of recording visits, diesel sales and electricity.
- Principal Maritime Officer to receive analysis of income so that it can be inspected and identify errors.
- Caernarfon Harbour Trust to notify HMRC that the Cleaner is paid with cash and ensure that the correct amounts of pay as you earn tax (PAYE) and national insurance are paid in accordance with the requirements.
- Doc Master to produce a stock plan and carry out stock checks on a monthly basis.

**TELECARE
ADULTS, HEALTH AND WELL-BEING**

1. Background

1.1 Gwynedd Council has provided a Telecare service for the residents of Gwynedd since 2009. Recently it was decided to internalise the installation, maintenance and repair of equipment, which was previously commissioned to an external company. The Care Connect service, which is a 24hour monitoring centre to respond to the calls of Gwynedd Telecare service users, operates from two sites, one in Llangefni and the other in Colwyn Bay. Gwynedd Council together with the Isle of Anglesey Council and Conwy Council is part of a regional partnership, which is led by Conwy Council. Telecare works by using a variety of home sensors which send direct messages to the monitoring centre in the event of an emergency. An officer from the centre will talk to the user through a loudspeaker and call a relative, friend or emergency services.

2. Purpose and Scope of Audit

2.1 The purpose of the audit was to ensure that the internal controls involved in the provision and administration of Telecare in Gwynedd were adequate. The audit covered checking the Council's arrangements for the provision and maintenance of Telecare equipment for service users and that it was done as soon as possible. In addition, it was ensured that there was an appropriate agreement in place between the Council and the external provider and that the Service's income collection arrangements were appropriate.

3. Main Findings

3.1 New Telecare arrangements have been operational since January 2018, where elements of the service have been internalised. Applications/orders for Telecare services now come direct through the Council's Property Department and the installation and maintenance work is carried out by departments officers. Much work has been done to streamline and simplify the process in order to fulfil the Telecare Service' purpose, which is, "Help me live my life as I want, by using assistive technology to support me."

3.2 Gwynedd Council's website has been updated to include the current contact information and details. Contact details have not been updated on the Care Connect website, they have been notified of this but is yet to be implemented. Old pamphlets were discovered with incorrect contact details at the Penrallt reception, the Service was informed of this and arrangements have been put in place to identify which establishments these pamphlets can be found, in order for the installers to collect whilst in the area. However, it is understood that arrangements are in place to ensure that no telephone calls are missed if anyone uses information from a brochure that is no longer current. New brochures have been created, these will be distributed once the weekly fee has been agreed.

- 3.3 The equipment installers take a paper copy of the Telecare agreement to the users' home. In addition, the installers ask users to sign an 'app' they have on their phones, as confirmation that they accept the terms and conditions. Once the user has signed, the signature is automatically sent to the Property Departments TF System, which is the system used to record and describe the "job". However, at present, only an image of the signature appears on the system. It was explained that the Property Department is working to have an additional sentence on the 'app' where the users sign that they agree and accept the terms and conditions, this would then appear with the signature on a TF System.
- 3.4 There is no service level agreement (SLA) established between the Telecare Service and the Property Department at present. The Gwynedd Assistive Technology Service Development Manager will consider the delivery measures whilst compiling the SLA, these will be in line with the purpose of the service.
- 3.5 There are no formal stock records. The Gwynedd and Anglesey Care and Repair stock has been transferred to Gwynedd Council stores but they did not inherit their records. New equipment is ordered, returned and equipment leaves the store to be installed. A barcode scanning system which would be connected to Care Connect has been considered but further discussions are needed before deciding the way forward.
- 3.6 Officers have been appointed to undertake the work of installing the Telecare equipment, one of which has transferred from Gwynedd and Anglesey Care and Repair on the TUPE terms. Although the manager had started the process of receiving DBS disclosures for these officers in January 2018, it has now been seen that only one has received a disclosure while the other officer remains in receipt. It is intended to have other officers from the Property Department to assist with the change of batteries in Equipment etc, these officers have received or are in the process of renewing their disclosures. Not all posts were identified in the Job System as requiring a DBS disclosure until recently, this may have contributed to the delay of following up the officer's disclosures.

4. Audit Opinion

(B) Partial assurance of propriety can be declared in the Telecare arrangements as controls are in place, but there are aspects where the arrangements can be tightened. The relevant officers are committed to implementing the following steps to mitigate the risks highlighted:

- Ensure that installers collect the old Telecare pamphlets.
- Create a poster with Telecare contact details and place it in these establishments as the new pamphlets are not ready yet.
- Discuss further with the TF System's administrators to insert wording on the 'app' as confirmation that users agree with the terms and conditions of the agreement.
- Produce a service level agreement between the Telecare Service and the Property Department ensuring that delivery measures are established and agreed.
- Establish a stock management plan.
- Ensure that all officers undertaking the work receive a DBS disclosure.

SUPPORTED HOUSING ADULTS, HEALTH AND WELL-BEING

1. Background

- 1.1 There are nine Supported Houses in Gwynedd, supporting clients over the age of 18 who have learning disabilities to live a semi-independent life, with some houses housing up to four clients.

2. Purpose and scope of Audit

- 2.1 The purpose of the audit was to select a sample of Supported Houses, ensuring that appropriate financial and safety procedures were in place in accordance with the Councils rules and regulations. The audit scope included checking financial arrangements as well as management procedures for a sample of houses.

3. Main Findings

- 3.1 Three houses were visited during the audit, Bryn Afon, Dyffryn Ardudwy and 106 Lôn Abererch, Pwllheli, both managed by the Housing Support Manager, and 4 Bryn Rhos, Caernarfon, under the management of the Registered Care Manager. Generally, it appears that appropriate arrangements are in place, but there is need to tighten controls on the following aspects in order to reduce the risks identified.
- 3.1.1 Fire tests are not performed on time at 4 Bryn Rhos, whilst there is no record kept of Snowdonia Fire Service's visits and tests at 106 Lôn Abererch, even though confirmation was received by the Housing Support Manager that they visit regularly. In addition, the Fire Management Plan present at all three houses was dated 2008. The latest versions, dated 2017 was sent to the Managers following the visits
- 3.1.2 Risk assessments are not dated or signed following reviews, giving the impression that no review was conducted since the date the assessment was originally produced. Confirmation was received that this would be done from now onwards.
- 3.1.3 When reporting accidents, no copy of the HS11 forms are kept. The Housing Support Manager confirmed that the original is sent to the Health and Safety Unit, leaving the houses with no record. It was suggested that a copy should be kept from now onwards.
- 3.1.4 No medication stock checks are conducted at Bryn Afon nor 106 Lôn Abererch, even though they should be done weekly. In the same instance, 4 Bryn Rhos do not monitor the temperature of the room where medication is kept. The Registered Care Manager confirmed that this would be done from now onwards.
- 3.1.5 Generally, it was seen that the Support Workers training was not current, with some workers 'qualifications' expired, and others not trained in certain areas. The records of 15 Support Worker were checked, 5 from each house. Only 5 had current training with regards to medication and fire. The Housing Support Manager confirmed that it was difficult booking fire training, with spaces being taken up at a rapid speed.

- 3.1.6 Imprest applications are not presented regularly. The Housing Support Manager was already aware of this, and confirmed that she was attempting to present them more often. At the beginning of March 2018 the accounts of 106 Lôn Abererch and Bryn Afon were in debt of £640 and £5,000 respectively.
- 3.1.7 It was seen that the clients of Bryn Afon's contribution towards food are paid out of the imprest account, before then being refunded to the account from the individual client's bank accounts. The Client Assets Management Officer confirmed that this arrangement was put in place because the location of the house makes it impractical for the Support Workers to visit the Council Offices in order to collect cash, which is the norm for many supported houses. He added that discussions have taken place in the past regarding the idea of opening an individual bank account for each house, with contributions to food being paid straight into it. The Support Worker could then visit any cash machine in order to debit funds. This would not only simplify the process for the Support Workers, freeing more of their time to support the clients, but would also allow every house to be constant in their arrangements. The idea was supported by the manager of the houses, however, even though discussions and meeting were held with the bank, no further action was taken. The Client Assets Management Officer expressed his desire to reconsider the notion. The Registered Care Manager agreed to discuss the matter with the Learning Disabilities Development and Provider Manager.
- 3.1.8 A significant overspend was seen against this years traveling costs budget for Lôn Abererch, where the other houses seem to under spend. It was discovered that the Housing Support Managers travelling claims, presented through the self-service facility, are all recorded against Lôn Abererch's even though visits are made to other houses. Support Services confirmed that the self-service facility does not at present facilitate splitting claim to different cost centres. The Accounts Assistant confirmed that they were happy for the Manager to continue producing claims through self-service, and they would make adjustment in the ledger.

4. Audit Opinion

(C) **No assurance of propriety can be expressed in the financial arrangements for Supported Housing, as the internal controls cannot be depended upon, however, no losses/fraud was detected resulting from the weakness in controls. The Managers have recognized the need to implement the following steps to mitigate the risks identified:**

- Ensure that fire tests are conducted and recorded on time.
- Date and sign risk assessment reviews.
- Ensure that medication stock checks are conducted and recorded weekly.
- Ensure that the temperature of the medication room is monitored and recorded on a daily basis.
- Ensure that Support Workers training is current, with medication and fire training is arranged for the near future.
- Ensure that imprest claims are presented often, and they do not exceed 2/3 of the accounts level.
- Consider the benefits of introducing new procedures for receiving client's contribution towards the cost of food.

Y FRONDEG
ADULTS, HEALTH AND WELL-BEING

1. Background

- 1.1 Cartref Y Frondeg, Caernarfon is a residential home that provides care for up to nine adults with learning disabilities. Since the current manager of the home has only been in their role since January 2018, it was decided that no audit opinion would be given, only an agreed action plan. A full audit will be conducted on the home during the 2018/19 financial year.

2. Scope and Purpose of Audit

- 2.1 The purpose of the audit was to ensure that the management and upkeep arrangements of Y Frondeg were appropriate and in accordance with relevant regulations and standards. The audit included checking that Frondeg's arrangements were adequate in terms of administrative and staffing, budgetary control, procurement of goods and income, health and safety and performance monitoring as well as ensuring that the Service users and their property are safeguarded.

3. Main Findings

- 3.1 A draft copy of the statement of purpose was received by the manager. It met the requirements from CSSIW's report (January 2018) and most of the requirements for a statement of purpose. Information was not included on the home's 'behaviour management' policy. There was also no information about the arrangements made to release a registered person's commitment under regulation 12(4)(b) of the Care Homes (Wales) Regulations (2002).
- 3.2 A sample of 3 residents' care plans were checked, one had been updated but the two other plans were not current. The plans were comprehensive but needed updating. The Manager stated that they were in the process of updating each care plan.
- 3.3 There was no contract between the residents and the Council for the sample of 3 residents.
- 3.4 Certificates of training were seen within the individual files for members of staff. Most staff had received relevant training but some certificates had expired. The Manager agreed that a spreadsheet to monitor staff training dates would be useful.
- 3.5 The Manager confirmed that they were working towards a level 5 QCF qualification. This level of qualification is required for a registered manager so having 'no registered manager' does not comply with CSSIW requirements.
- 3.6 CSSIW were concerned with the lack of supervision, which has been a problem in the home for a few months. The Manager had successfully conducted supervision sessions with 13 staff at the time of the visit and supervision sessions were planned for the rest of the staff.
- 3.7 No 'Personal Items' forms were seen for the residents. The Manager had arranged to meet with Tan Y Marian's Manager to view examples of the required documents.

- 3.8 There is a keypad on the doors to the Manager's office and the medication room. However, the codes for the room's keypads were written down and placed on the doorframe so that anyone could gain access. The Manager stated that they did not want their office locked so that staff could freely Access care plans, policies etc.
- 3.9 The home's fire documentation, including the Fire Log Book were all kept in the blue box and were checked. There were no clear records that tests were carried out as required. Some records were not complete, containing a signature but no date etc.
- 3.10 Risk assessments for the kitchen were completed and had been reviewed in January 2018 by the Cook. No risk assessments for the home in general were seen. 2 of the 3 residents from the sample's risk assessments were not up to date. The Manager stated that plans were underway to update these and that a visit by a Health and Safety Officer was organised to ensure standards.
- 3.11 One member of staff had no qualification at all and 5 had training that was over 3 years old and therefore needed renewing. All staff from the selected sample had attended safeguarding training but some were due to be renewed. DBS checks were up to date for all staff except one. The Manager was aware of the DBS case and agreed to take action.
- 3.12 A form containing both signatures and shorthand signatures of staff who are authorised to sign medication documents was situated in the medication room. The In-Charge Officer was asked about competency tests and stated that they were sometimes carried out but there was no arrangements in place for annual testing. Competency test records were seen in 2 members of staff's files. A copy of the Medication Policy was available to staff in the medication room but only 4 of those who administered medication had signed to confirm that they had read and understood the policy. A keypad was on the door to the medication room but the code was clearly visible on the doorframe meaning anyone could gain access to the room. The medication refrigerator's temperature records were checked and were correct and in order. However, the refrigerator's thermometer displayed 8.6°C during the visit, which is above the maximum of 8°C indicated in the Council's Medication Policy.

4. **Audit Opinion**

It is premature to give an official opinion on the audit as the home is in the process of implementing the recommendations of the CSSIW report which outlined compliance deficiencies and a full audit will take place in the 2018/19 financial year. The home is committed to implementing the following steps to mitigate the risks highlighted:

- Continue to update residential care plans and ensure they include agreements, risk assessments and inventories.
- Produce a staff training spreadsheet and keep it updated to ensure that all staff receive the correct training and that qualifications are renewed in a timely manner.
- Create risk assessments for the reasonable risks in the home and for the residents and update them as necessary or at least annually.
- Continue to conduct staff supervision and ensure it takes place every 2 months.

- Ensure that purchases are created and recorded in a timely manner and date all invoices that arrive in the home.
- Create an inventory list for the home and review annually.
- Ensure that everyone does not have access to the medication room by sharing the keypad code with only the required individuals.
- Ensure that the policies available to the home's staff are current.
- Check the DBS status of all staff.
- Create monthly imprest claims and ensure all receipts are valid.
- Ensure that the records of staff who are entitled to sign off/administer medication are up to date.
- Conduct medication competency tests annually and ensure that the relevant staff read and sign the Medication Policy.
- Ensure that the final statement of purpose includes information about the home's behaviour management policy and the arrangements made to release a registered person's commitment under regulation 12 (4) (b).
- Ensure that the work program is followed to implement the recommendations received by CSSIW in their report dated January 2018.

ARRANGEMENTS FOR CHILDREN LEAVING CARE CHILDREN AND SUPPORTING FAMILIES

1. Background

- 1.1 'When I am Ready' is a Welsh Government scheme established in 2015, where a young person in foster care continues to live with their former foster carer beyond the age of 18. Under a 'When I am Ready' arrangement, the carer becomes the young person's landlord. The scheme was established to prepare local authorities for their new duties under the Social Services and Well-being (Wales) Act 2014 the post-18 living arrangements.

2. Purpose and Scope of the Audit

- 2.1 The purpose of the audit was to ensure that there were suitable arrangements in place for looked after children who wish to continue living with their foster carers after they became 18 years old. In order to achieve this, the audit encompassed ensuring that the Council had fulfilled their legal duties under the Social Services and Well-being (Wales) Act 2014 and the 'When I am Ready' Good Practice Guide, for a sample of young people, by preparing appropriate plans for them such as 'Pathway Plans' and 'When I am Ready' plans.

3. Main Findings

- 3.1 At the time of the audit, there were six young people on the 'When I am Ready' scheme, with an additional two being imminently established. The WCCIS² system was reviewed to confirm that there was a trail of support from the Council to prepare young people for post-18 living arrangements, starting before the person turned 16. When undertaking the audit, it is important to take account of the circumstances of some of the young people, and the impact these will have on the Service's arrangements.
- 3.1.1 The Council is expected to prepare a pathway plan for all looked after children before they are referred to the post-16 team, in order to assess their needs and to help the young person transition from being in care to becoming an adult. WCCIS records show that an assessment and pathway plan was not always in place by the young person's 16th birthday, and the standard of the plans can vary. However, in these cases, records of visits or 'Child / Young Person's Looked After Review' meetings states that future living wishes had been discussed. The Post-16 Team is keen to change their arrangements in this respect, by identifying young people who are approaching the age of 16 and becoming more proactive in their arrangements so that a pathway plan is in place when they transfer to the team rather than waiting for a referral from the Social Worker. Pathway plans are reviewed in statutory 6-monthly reviews, and the majority of meetings took place within this timetable.

²Welsh Community Care Information System

- 3.1.2 The 'When I am Ready' Good Practice Guide states: *"Once it is clear the young person and their foster carer wish to enter into a 'When I am Ready' arrangement, you will need to set up meetings to plan the details of the arrangement. It is good practice to keep these separate from LAC review meetings, as LAC reviews have a wider function."* It was found that meetings to discuss 'When I am Ready' arrangements are being held, but no specific records of these meetings are kept.
- 3.1.3 One of the lessons learned by the Service is the need to raise foster parents' awareness of the financial implications of 'When I am Ready', to ensure early commitment to the arrangements or to give more planning time for alternative arrangements. The Service has identified the need to hold training sessions for foster parents, and emphasize the financial implications of 'When I am Ready'. Uncertainty can have a serious impact on young people and it is essential that robust arrangements are agreed as soon as possible.
- 3.1.4 The Council has established a Corporate Parent Panel in accordance with its responsibility to act as a corporate parent for looked after children. The Panel keeps an overview of the welfare and interests of children in care. Membership of the Panel includes the Lead Member for Children and Young People, the Leader of the Council, relevant Cabinet Members, foster parents, Young People's Champion and a member selected by Scrutiny Committees. The Panel also includes the Chief Executive, Corporate Director and Statutory Director of Social Services, Head of Children and Supporting Families Department and the Head of Education.
- 3.1.5 Minutes of the Panel's meetings, as well as Gwynedd's Corporate Parent Strategy, that was presented to the Panel at the 23/10/17 meeting were reviewed, and they were deemed appropriate. In addition, training details given to 30 Council Members on 10/01/2018 on their duties as Corporate Parents was also reviewed. There will be another training session held for those Members who did not attend this training.

4. Audit Opinion

(B) The Audit opinion is that partial assurance of propriety can be expressed in the arrangements for children leaving care as controls have been established, but there are some aspects where these could be tightened. The Service has committed to implementing the following steps to mitigate the risks highlighted:

- Keep records of 'When I am Ready' meetings on WCCIS.

RECYCLING TARGETS

Highways and Municipal

1. Background

- 1.1 Targets have been set by the Welsh Government to encourage Local Authorities to increase recycling to reduce the amount of biodegradable waste sent to landfill, reduce the impact of 'greenhouse gases' on the environment, reduce our carbon footprint and save money by reusing waste either as materials or to create energy.

2. Purpose and Scope of Audit

- 2.1 The purpose of the audit was to ensure that suitable arrangements were in place for Gwynedd Council to meet statutory recycling targets set by the Welsh Government. The Welsh Authorities need to ensure that 64% of their waste is recycled by 2020 and 70% by 2025. Gwynedd need to ensure a maximum of 16,978 (t) is landfilled this year, with the allowance decreasing to 15,143 (t) in 2020. In order to achieve this, the audit covered checking the data presented on these targets in Gwynedd and checking the monitoring arrangements in place.

3. Main Findings

- 3.1 It was found that suitable arrangements were generally in place to try to ensure that Gwynedd achieves its targets. The team strives to provide services effectively to the residents of Gwynedd but success depends on changing the attitude and mind-set of some of the residents. A high percentage of residual waste continues to include items that can be recycled and therefore the commitment of all residents is essential due to increasingly challenging targets and financial penalties.
- 3.1.1 Information about the recycling services are shared through a variety of sources, both electronically and on paper. In addition to the 'kerbside' collections, Gwynedd's Recycling Centres and bulky collections service are useful resources for the public but there is not as much awareness of these services.
- 3.1.2 News articles were published in the press and 'Newyddion Gwynedd' paper regarding the financial penalties that Gwynedd could face. These penalties are used as a logic behind changing residual waste collection (Green Bins) arrangements to every three weeks and expanding the recycling service. However there may not be enough of this element being publicized, meaning that many of the public continue to see the changes as negative cuts by the Council.
- 3.1.3 Data is sent to the 'Waste Data Flow' system on the basis that there are 52,300 240 litre wheeled bins in Gwynedd. There is no database of all equipment in Gwynedd as they were distributed a long time ago. As a result, the experience and knowledge of the workforce is important in ensuring that service is provided where necessary.
- 3.1.4 The workforce seek to monitor the contents of residual waste bins and inform their Leaders if it is possible to increase the amount of waste recycled. The Recycling Officers try to contact properties to offer help and increase awareness of the recycling service and the negative effects of landfill. However, this is a small part of their duties and much of their work and plans aim to change the thinking of children and people for the future. The Service has identified the need for further campaigning and challenging non-compliant residents in order to achieve targets.

- 3.1.5 Keeping within the landfill allowance is increasingly challenging for Gwynedd, especially as the allowance reduces over time. The department's income targets encourage them to attract commercial waste collection customers to increase income. The recycling percentage of businesses receiving the service continues to increase, but the residual waste collected contributes negatively to Gwynedd's landfill performance. The introduction of the LDT (Landfill Disposal Tax) by the Government in April 2018 could place increasing pressure on Gwynedd to reduce the amount of landfill waste to avoid extra fees for its disposal.
- 3.1.6 Gwynedd is considering the removal of Recycling Banks from community sites. Improvements in the 'kerbside' recycling service as well as the risk of misusing the banks mean that they are obsolete. Removal of the service would create budgetary savings for the department by avoiding the need to employ private companies to dispose of the content. Changes to the 'cartgylchu' system for 2018 have been introduced which allow the public to dispose of additional waste by recycling rather than with the green bin. Plans are in hand to expand the service further with the aim of preventing items that can be recycled from going to the green bins. Other services are available to the public at a reasonable cost such as bulky collections that would contribute to the recycling targets as well as the income target. Raising public awareness of this service as well as the Recycling Centres should be considered, as it would persuade individuals not to 'fly tip'.
- 3.1.7 A fee for a garden waste collection service was introduced in 2017 to try to increase income for the department. As a result, the reduction in garden waste collected in the first year was 2000 (t). This is within the estimated 3% reduction, but they are confident that there will be an increase over time, thus contributing to the achievement of the recycling targets.
- 3.1.8 Weekly food waste collections try to encourage residents not to dispose of food in the green bin. An increase in recycling of food waste would contribute significantly towards the recycling target and reduce the possibility of unpleasant odours from the green bins and attracting pests. Gwynedd is committed to a 15-year agreement with the Biogen company at the GwryiAD site in Llwyn Isaf. As part of the agreement, Gwynedd needs to provide a minimum amount of food waste (GMT) for processing. The amount is very challenging and to contribute to it, Gwynedd has secured an agreement to receive food waste collected from Anglesey and parts of Conwy.
- 3.1.9 There are very high overtime costs within the department in order to deliver all services, deal with failed collections and operate the recycling centres over the weekend. Reducing the 'already missed' collections would have a very negative effect on the Council's name; therefore, consideration is being given to changing the terms of recycling centre workers.
- 3.1.10 The FFOS system has recently been adopted and helps Gwynedd reduce the expected time between members of the public applying for equipment/service and accept that service/equipment. The department aims to provide the equipment/service within 10 working days to enable the public to contribute to the recycling targets as soon as possible. A sample of applications was received from FFOS and 58% of applications were found to be met within 10 days. However, these statistics are misleading, since the report is run only once a week, and the completion date is the date the details are entered into the system. There is a significant delay at times before the staff who input them into the FFOS system receive the details.

4. Audit Opinion

(B) Partial assurance of the arrangements and controls in place can be stated for Gwynedd to achieve their Recycling Targets, but there are aspects that can be improved. The Department is committed to implementing the following steps to reduce the highlighted risks:

- Increase awareness of schemes such as bulky waste collections in order to increase income and reduce 'fly tipping'
- Review the Overtime arrangements of the Recycling Centre Workers.
- Increase awareness of the Recycling Centres to reduce 'fly tipping' and incidents of large items/waste being disposed of in the green bins.
- Continue with the campaigns to encourage residents and Commercial waste customers to increase the amount of waste recycled and reduce residual waste.