

COMMITTEE	AUDIT COMMITTEE
DATE	11 FEBRUARY 2016
TITLE	OUTPUT OF THE INTERNAL AUDIT SECTION
PURPOSE OF REPORT	TO OUTLINE THE WORK OF INTERNAL AUDIT FOR THE PERIOD TO 31 JANUARY 2016
AUTHOR	LUNED FÔN JONES – AUDIT MANAGER
ACTION	TO RECEIVE THE REPORT, COMMENT ON THE CONTENTS AND SUPPORT THE RECOMMENDATIONS THAT HAVE ALREADY BEEN PRESENTED TO SERVICES FOR IMPLEMENTATION

1. INTRODUCTION

- 1.1 The following report summarises the work of the Internal Audit Section for the period from 1 November 2016 to 31 January 2016.

2. WORK COMPLETED DURING THE PERIOD

- 2.1 The following work was completed in the period to 31 January 2016:

Description	Number
Reports on Audits from the Operational Plan	15
Grant Reviews	6
Follow-up Audits	3

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

2.2 Audit Reports

2.2.1 The following table shows the audits completed in the period to 31 January 2016, indicating the relevant opinion category and a reference to the relevant appendix.

TITLE	DEPARTMENT	SERVICE	OPINION	APPENDIX
Use of Consultants	Corporate		B	Appendix 1
Awareness of Whistleblowing Policy – Manual Workers	Corporate		B	Appendix 2
Gwynedd and Anglesey Learning Partnership Grant	Education	Resources	A	Appendix 3
Workforce Modelling – Ysgol Baladeulyn	Education	Schools	B	Appendix 4
Workforce Modelling – Ysgol Nebo	Education	Schools	B	Appendix 5
Workforce Modelling – Ysgol Trefferthyr	Education	Schools	B	Appendix 6
Sailing Academy	Economy and Community	Major Projects	B	Appendix 7
Arfon Leisure Centre	Economy and Community	Leisure	C	Appendix 8
Home Care - Communication	Adults, Health and Wellbeing	-	B	Appendix 9
Governance of Collaborations with the third sector	Adults, Health and Wellbeing	-	B	Appendix 10
Plas y Don	Adults, Health and Wellbeing	Residential and Day	C	Appendix 11
Plas Hedd	Adults, Health and Wellbeing	Residential and Day	C	Appendix 12
Hafod Mawddach	Adults, Health and Wellbeing	Residential and Day	B	Appendix 13
Maintenance of Buildings and Sites	Highways and Municipal	Fleet	C	Appendix 14

TITLE	DEPARTMENT	SERVICE	OPINION	APPENDIX
Pont Briwet	Regulatory	Transportation and Street Care	N/A	Appendix 15

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.

2.3 Grants

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

- Post-16 Provision in Schools Grant (*Education*)
- Funding for Band 4 and 5 Schools (*Education*)
- Welsh in Education Grant (*Education*)
- Pupil Deprivation Grant (*Education*)
- School Effectiveness Grant (*Education*)
- Learning Pathways Grant (*Education*)

2.3.2 Although these grants have been reviewed by Internal Audit, this does not mean that external auditors may not 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
Jobs System	Corporate		Acceptable
First Aid Payments	Corporate		Unacceptable
IT – Backups and Service Continuity	Finance	Information Technology	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 March 2016

Health and Safety – Lone Working
Gwynedd Museum and Gallery
Community Care Workers – Travelling Costs

Completion Target: Quarter ending 30 June 2016

Charges on Properties of Home Residents
Removing Leavers from IT Systems
Public Transport

Completion Target: Quarter ending 30 June 2016

Plas Ffrancon Leisure Centre
Cefn Rodyn

3. WORK IN PROGRESS

3.1 The following work was in progress as at 1 February 2016.

3.2 WORK IN PROGRESS

- Safeguarding Arrangement – Staff Awareness of the Policy (*Corporate*)
- Corporate Assessment (*Corporate*)
- Officers Gifts and Hospitality – High Risk Services (*Corporate*)
- Proactive Prevention of Fraud and Corruption (*Corporate*)
- Contracting Terms -Safeguarding Arrangement (*Corporate*)
- Information Governance – Data Protection Act (*Corporate*)
- National Fraud Initiative (*Corporate*)
- School Catering (*Education*)
- Workforce Modelling (*Education*)
- North and Mid Wales Trunk Road Agency
- Schools - Health and Safety of Educational Visits (*Corporate Support*)
- Debtors System – Review of Key Controls (*Finance*)
- Payments System – Review of Key Controls (*Finance*)
- Bank Reconciliation – Review of Key Controls (*Finance*)
- Payroll System – Review of Key Controls (*Finance*)
- Pension Fund – Review of Key Controls (*Finance*)
- Benefits – Review of Key Controls (*Finance*)
- Council Tax System – Review of Key Controls (*Finance*)
- NNDR – Review of Key Controls (*Finance*)
- Care Worker Training Programmes (*Adults, Health and Wellbeing*)
- Inspections (*Highways and Municipal*)
- Parking Income Transport (*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 1 November 2016 to 31 January 2016, comment on the contents in accordance with members' wishes, and support the recommendations already presented to the relevant service managers for implementation.

USE OF CONSULTANTS

Corporate

Background

Expenditure on consultants is a contentious matter and has received considerable attention in the media in the past. Expenditure reports on 'Consultants Fees' revenue code indicate that the Council spends approximately £1.3m on consultants annually. A 'Consultant' is defined in the dictionary as "One who provides advice (professionally or in an expert field)". The Procurement Unit's Handbook also suggests that consultants provide "*expert advice within a specific work field*" but it also adds that they can "*fill any gaps in skills which exist within that specific field*", which expands the scope of consultants' work significantly.

Purpose of the Audit

The purpose of the audit was to review appointment arrangements and the value for money received by appointing consultants.

Scope of the Audit

The audit included checking a sample of invoices paid on consultant expenditure codes across the Council, focusing on ensuring that the following had been established: arrangements for checking employment status, the existence of business plans and financial arrangements. The audit scope did not include reviewing capital expenditure on the use of consultants or on the use of agency workers.

Main Findings

When analysing a sample of the invoices paid on the 'Consultants Fees' revenue expenditure code, it was found that the variety of the type of work referred to as 'consultancy' is broad. Invoices were discovered for work where other specific expenditure codes exist for them, such as job training and translation. Should someone, internal or external, wish to find the Council's expenditure levels on consultants, extracting a report from the financial ledger on the 'Consultants Fees' revenue expenditure code would likely suggest that much more had been spent on consultants than had actually happened, due to miscoding. For example, the value of one of the invoices on the 'Consultants Fees' expenditure code, and confirmed by the manager as an example of miscoding, was £99,995. It was arranged to transfer these costs to the correct expenditure code.

However, it was seen that 'consultancy' work was sometimes coded on other expenditure codes, which weakens the reliability of the ledger's figures as well, and of course means that they will not appear on relevant expenditure reports for the purposes of selecting an audit sample. The ledger was checked and a sample of projects was selected across the Council to check the appointment arrangements and the value for money. It was discovered that no formal business case has been drawn up for the projects selected in the sample. However, it was seen that similar documents (such as a brief) had been drawn up which summarised the projects and listed the expectations.

From the selected sample, it was seen that the Council had tested the market appropriately, by requesting quotations or going out to tender, unless there was an adequate reason not to do so, e.g. a lack of time. According to the terms of the grant which funded one of the projects in the sample, it was necessary to complete the work and spend the grant between 10/02/14 and 31/03/14. In light of the challenging timetable, the Cabinet Member decided to waive the standing orders on contracts in this case. It can be seen from the Cabinet Member's Decision Notice (18/02/14) that the Chief Executive, the Monitoring Officer and the Chief Finance Officer agree with the decision. It was expressed that "*Due to the extremely challenging timetable facing the Council in light of the Welsh Government's decision and the terms and conditions of the funding, I do not believe that it is possible to test the market in the usual way*".

Managers are expected to consider undertaking the work internally, before commissioning an external company to carry out the work. Several managers in the sample expressed that having an external company to complete the work gives the work in question more credibility, especially when the matter at hand is sensitive e.g. the impact of cuts.

One of the reasons that consultant fees is a contentious matter is the fact that the daily fees tend to be higher than the cost of employing people internally. If the arrangement of employing consultants was a long-term one, it is therefore good practice for officers to consider the employment status of the consultant by evaluating the costs and the benefit of paying the fees via accounts payable, or by creating a temporary post and placing him/her on the payroll. An example was seen of an individual on a school payroll who had also invoiced the Council for additional hours on a higher scale. Although the expenditure was not referenced as 'consultants fees' in this case, weaknesses were highlighted in terms of employment status as the Senior Managers at the time were not aware of the arrangement and no contract was in place to include e.g. terms of employment, the use made of the room and school's resources etc. for the individual's business purposes.

An example was seen of a former officer undertaking consultancy work after retiring in 2009. This was due to a high-pressure workload within the service and a lack of internal resources after several officers left the Council. In addition, it was seen that one officer had had to leave Council employment on the grounds of the need to realise savings, but he was soon appointed as a 'consultant' as an eligible officer in the field was required to undertake relevant work, while unqualified officers were in the process of qualifying.

Audit Opinion

(B) The Audit opinion is that partial assurance can be expressed on the propriety of the 'Use of Consultants' as some controls are in place, but there are aspects where some arrangements can be tightened.

Although the ledger indicates that consultant fees are approximately £1.3m annually, the outcomes of this audit show that this does not reflect the Authority's expenditure on 'receiving expert advice' only. From the sample that was checked, it was found that much of the expenditure was on various services, which in the auditors' opinion was not expenditure on 'consultants'. As well as this, from the selected sample, it was seen that several 'consultancy' projects had been funded via an external grant, whereby the expenditure had been approved by the funding body.

AWARENESS OF THE WHISTLEBLOWING POLICY - FIELD WORKERS**Corporate****Background of the Audit**

A questionnaire was distributed by Internal Audit to the employees of the Council's main offices as part of the 'Disclosure Arrangements - Awareness of the Whistleblowing Policy' audit (November 2014), with the intention of discovering how familiar the employees were with the Council's Disclosure and Whistleblowing Policy together with gaining their opinion on the policy and the arrangements. The scope of the audit was to design and distribute an electronic questionnaire to all employees who had a Gwynedd Council e-mail address. However, as Internal Audit acknowledged that the awareness of field workers was an important matter, it was resolved to allocate resources to hold a review of field workers' awareness of the Policy during 2015/16.

Purpose of The Audit

The purpose of the audit was to undertake a review of the awareness of the Council's field workers on the Council's Disclosure and Whistleblowing Policy together with ascertaining the employees' opinion of the policy and the arrangements together with how likely it was for them to use it should circumstances arise.

Scope of the Audit

The scope of the audit was to design and distribute a questionnaire for a sample of the Council's field workers. Schools field workers were not included in the scope of this audit. Internal Audit's annual plan involves undertaking several external visits, and it was decided that every Auditor would distribute the questionnaire while on visits for other Audits throughout the year, such as Home Care, Residential Care, Beaches, Depos and Workshops etc. This enabled avoidance of costs, as well as encouraging the workers to complete the questionnaire and provide advice and guidance where necessary. 86 questionnaires were successfully returned.

It must be borne in mind that the answers in the questionnaires are completely anonymous. This means that it is not possible for auditors to verify the accuracy of any response, therefore, when evaluating the responses it must be assumed that every response provided is accurate and true.

Main Findings

The main findings of the audit is the fact that awareness of the policy is high amongst field workers, with 81% expressing that they are aware of the policy. According to responses on the questionnaire, this awareness derives from discussions with line managers, colleagues and induction sessions, but a very low percentage has received a whistleblowing contact card - only 16%. It was suggested in the responses that some employees had not whistleblown in a situation of concern about misconduct in the workplace based on the fact that they were not aware that whistleblowing procedures were in place, which reiterates the need to continue to raise awareness.

Of the questionnaires that were returned, three employees noted that they had previously whistleblown. Two expressed that they were happy with how the cases were dealt with; one noted that the case had been resolved with, and the other noted that it had been partially resolved. The matter was not resolved in the case where the employee expressed that he was not happy with how the case was dealt with.

Following observations expressing a lack of faith in the whistleblowing procedure in the 2014 questionnaire, field workers were requested to score how confident they were in the procedure; 1 - 'no confidence' and 5 - 'completely confident'. A score of 5 suggests that the employee has faith that complaints will be taken seriously, and that managers implement without prejudice against those who have whistleblown. The average score was 3.85 (compared with 3.09 for office employees), which means that in general, the Council's field workers were confident in the procedure.

The questionnaire listed examples of circumstances (taken from the policy) when employees should become whistleblowers should they come across these circumstances in the workplace. The questionnaire asked, if staff discovered these examples in the future, with the option of choosing as many examples as they wished, realistically, for which ones would they be likely to implement the whistleblowing policy?

The results indicated that 93% of workers would whistleblow if they came across something equating to sexually, physically or emotionally abusing clients. Despite the high percentage, everyone is expected to share any concern in such cases to comply with the Council's "Safeguarding Children and Adults Policy". Only 60% of employees expressed that they would whistleblow for something which causes, or is likely to cause, harm to the environment. Between 81% and 92% of employees were willing to whistleblow in the other examples.

If responders stated that they would not whistleblow against any of the above examples, then they were asked to explain why not. A sample of the observations are given below:

"Scared, someone bullying you not to"

"Scared in case they treat me differently (line manager). Scared in case they say who has said"

"It depends on how bad and how often it happens".

Lastly, the employees were requested to offer any additional observations they wished to submit. A sample of their observations is provided below:

"The whistleblowing policy is very reassuring re- service users and staff alike, to ensure a safe, happy environment to both work and live"

"Change the name. A lot of people don't like it"

"Deal with matters quicker"

"Due to my past experience I have no faith in the disciplinary procedure"

"Raise awareness to all staff - hold workshops in care homes".

Audit Opinion

(B) The Audit opinion is that partial assurance can be expressed of propriety in awareness of the Whistleblowing policy and procedures as controls are in place, but there are aspects where arrangements can be tightened. The main recommendations of the report are as follows:

- **Re-distribute the whistleblowing contact cards.**
- **To include a discussion on the importance of Whistleblowing in meetings with field workers, in order to seek to reduce staff concerns about whistleblowing and to reinstate their confidence in the procedures.**
- **To hold training sessions / workshops.**

GWYNEDD AND ANGLESEY LEARNING PARTNERSHIP GRANT
Education

Background

The Gwynedd and Anglesey Post-16 Education Consortium was established following background and consultative work with Schools and Colleges where it was identified that a robust partnership was required to provide a post-16 educational service in both Counties. The project was funded partly by Schools, Colleges, Local Authorities and the European Social Fund (ESF) grant by the Welsh European Funding Office.

The project, which was run from April 2013 to October 2015, had a budget of £1.1m. However, the project did not commence on time as a variety of problems arose. Ultimately, the project commenced in its entirety in March 2014 until October 2015.

Purpose of The Audit

The purpose of the audit was to ensure that appropriate controls were in place to close down the Gwynedd and Anglesey Learning Partnership Grant project.

Scope of the Audit

Verify the project's close down arrangements and documentation.

Main Findings

It was seen that there were very strong examples of good practice and robust controls in place to close down the Gwynedd and Anglesey Learning Partnership Grant project, to mitigate a range of risks in the project's administration and management. The following matters had been considered:

- **That appropriate arrangements are in place for closing down the project, with an appointed person responsible for submitting the final grant application and ensuring that the final grant payment is received.**
- **That appropriate arrangements are in place to close the office and deal with the property and contents of the office.**
- **That appropriate arrangements are in place for the payment of invoices due after the office closes.**
- **It was discovered that appropriate arrangements are in place for document retention in accordance with WEFO guidelines.**
- **That appropriate arrangements are in place to deal with the staff involved with the Gwynedd and Anglesey Learning Partnership Grant where the office is closing.**

Confirmation was received from the Officers during the audit that the Gwynedd and Anglesey Post-16 Education Consortium had received approval to continue with the service in 2016 and use the Match Funding budget remaining from the project and therefore, after the closure of the project at the end of 2015, the service will now continue until December 2016 at least.

Audit Opinion

- (A) The Audit Opinion is that assurance of financial propriety in the control arrangements for the Gwynedd and Anglesey Learning Partnership Grant can be expressed as it is possible to depend on the internal controls which are in place, and that they have been followed.**

WORKFORCE MODELLING - YSGOL BALADEULYN**Education****Background**

The school Governing Body is responsible for managing and running the school and delegated powers are given to Headteachers to run the school on a day to day basis. The rights of Headteachers in terms of financial decisions are specified by the Governing Body and should be recorded within the school's policy.

The Headteacher is responsible for reporting to the Governing Body on a regular basis on the school's financial situation and on any issue that affects that situation.

The Governing Body is responsible for determining procedures to administrate personnel activities, including appointments, terminations and promotions.

Purpose of The Audit

Ensure that appropriate arrangements exist for modelling the workforce in primary schools in Gwynedd, in order to alleviate risks in accordance with relevant policies and procedures.

Scope of the Audit

A sample of primary schools of various sizes and from various areas in Gwynedd were selected and visited to be inspected for audit purposes.

Main Findings

It appeared that the workforce modelling arrangements were good on the whole at Ysgol Baladeulyn with teachers receiving appropriate PPA time, an appropriate officer has been appointed to undertake administrative work, TLR payments are administrated properly, the Head's time is allocated appropriately for management and leadership time and adequate budgetary controls existed.

It was seen that job descriptions are reviewed annually and they were last reviewed on 15/09/2015. The teachers' job descriptions contained details such as conditions of employment and duties, accountability, specific responsibilities, expectations and additional responsibilities as expected. However, when the job descriptions were compared with the generic copy of a job description for a teacher which is held by the Education Department, it was seen that there was room to add more relevant clauses to the teachers' job descriptions. The same could be said when the current job description of the Head was compared with a generic job description held by the Education Department for Heads. It would be good practice to compare the current job descriptions of the Head and teachers at the school with the generic job descriptions, in order to see whether it would be beneficial to add some new clauses to the current job descriptions of the Head and teachers.

Evidence was seen at the school that the annual salary review forms September 2015 had been completed for the teachers; however, copies of the review forms had not been forwarded for the attention of the Salaries and Contracts Unit. It is understood that the Salaries and Contracts Unit had not received the annual salary review forms in September 2014 either. The Head noted that she would arrange to forward the copies immediately to the Salaries and Contracts Unit.

Audit Opinion

(B) The Audit opinion is that partial assurance can be expressed of financial propriety in the workforce modelling arrangements at Ysgol Baladeulyn as there are controls in place, but there are aspects where some arrangements can be tightened. The recommendations of the report are as follows:

- It would be good practice for the Head to receive a copy of a generic job description for the Head and a teacher from the Education Department, in order compare them with the current job descriptions of the Head and teachers at the school, in order to identify additional clauses for which consideration should be given to adding them to the current job descriptions.
- The annual salary review forms for teachers should be forwarded to the Salaries and Contracts Unit by the specified date on the review forms.

WORKFORCE MODELLING -YSGOL NEBO

Education

Background

The school Governing Body is responsible for managing and running the school and delegated powers are given to Headteachers to run the school on a day to day basis. The rights of Headteachers in terms of financial decisions are specified by the Governing Body and should be recorded within the school's policy.

The Headteacher is responsible for reporting to the Governing Body on a regular basis on the school's financial situation and on any issue that affects that situation.

The Governing Body is responsible for determining procedures to administrate personnel activities, including appointments, terminations and promotions.

Purpose of The Audit

Ensure that appropriate arrangements exist for modelling the workforce in primary schools in Gwynedd, in order to alleviate risks in accordance with relevant policies and procedures.

Scope of the Audit

A sample of primary schools of various sizes and from various areas in Gwynedd were selected and visited to be inspected for audit purposes.

Main Findings

It appeared that the workforce modelling arrangements were satisfactory at Ysgol Nebo with teachers receiving appropriate PPA time, an appropriate officer has been appointed to undertake administrative work, the Head's time is allocated appropriately for management and leadership time and adequate budgetary controls existed.

A copy of the school's staffing structure was received but it was seen that the structure did not detail the employees' working hours/days. It is understood that job descriptions are reviewed regularly; however not all job descriptions inspected at the school had been dated and signed appropriately. This meant that it was not possible to confirm the date on which some of the job descriptions had been reviewed and whether or not the employees had received them as they had not signed them.

The teachers' job descriptions contained details such as work duties, specific responsibilities and curricular lead responsibilities as expected; however, when the job descriptions were compared with the generic copy of a job description for a teacher which is held by the Education Department, it was seen that there was room to add more relevant clauses to the teachers' job descriptions. The same could be said when the current job description of the Head was compared with a generic job description held by the Education Department for Heads. It would be good practice to compare the current job descriptions of the Head and teachers at the school with the generic job descriptions, in order to see whether it would be beneficial to add some new clauses to the current job descriptions of the Head and teachers.

The September 2015 annual salary review forms had not been completed for the school's teachers.

During the audit, the Head expressed that she was not always clear about the financial reports received and that she would appreciate attending any financial training held in the future which would benefit her.

Following further discussions with the Senior Accountant about this matter, the Senior Accountant expressed that it would be beneficial for them to discuss any financial issues on which the Head requires further training the next time she attends a finance surgery.

Audit Opinion

(B) The Audit opinion is that partial assurance can be expressed of financial propriety in the workforce modelling arrangements at Ysgol Nebo as there are controls in place, but there are aspects where some arrangements can be tightened. The recommendations of the report are as follows:

- **The copy of the school's staffing structure which is kept at the school should detail the employees' working hours/days.**
- **The employees' job descriptions which are kept on file at the school, should all be signed and dated appropriately.**
- **It would be good practice for the Head to receive a copy of a generic job description for the Head and a teacher from the Education Department, in order compare them with the current job descriptions of the Head and teachers at the school, in order to identify additional clauses for which consideration should be given to adding them to the current job descriptions.**
- **It should be ensured that annual salary review forms are completed annually for teachers, signed by teachers and the Chair of the Governing Body, and then it should be ensured that copies of the forms are forwarded for the attention of the Salaries and Contracts Unit.**

WORKFORCE MODELLING -YSGOL TREFERTHYR

Education

Background

The school Governing Body is responsible for managing and running the school and delegated powers are given to Headteachers to run the school on a day to day basis. The rights of Headteachers in terms of financial decisions are specified by the Governing Body and should be recorded within the school's policy.

The Headteacher is responsible for reporting to the Governing Body on a regular basis on the school's financial situation and on any issue that affects that situation.

The Governing Body is responsible for determining procedures to administrate personnel activities, including appointments, terminations and promotions.

Purpose of The Audit

Ensure that appropriate arrangements exist for modelling the workforce in primary schools in Gwynedd, in order to alleviate risks in accordance with relevant policies and procedures.

Scope of the Audit

A sample of primary schools of various sizes and from various areas in Gwynedd were selected and visited to be inspected for audit purposes.

Main Findings

It appeared that the workforce modelling arrangements were good on the whole at Ysgol Trefferthyr with teachers receiving appropriate PPA time, teachers' salaries reviewed annually, the Head's time is allocated appropriately for management and leadership time and good budgetary controls existed.

It was seen that the school employees' job descriptions had been amended recently and that they were in the form of an appropriate template and contained details of the duties and responsibilities of the employees as expected. However, it was seen that one teacher had not returned their amended and signed job description. The Head expressed that she would follow this up. Given how recently the job descriptions had been amended, it was seen that a good effort had been made to have the signed job descriptions returned.

When the job descriptions of employees were inspected in more detail it was seen that working hours had not been noted on the job description of one of the teaching assistants and the teachers' job descriptions did not note which percentage of a full week they worked.

According to the primary schools funding formula for 2015/16 it was seen that Ysgol Trefferthyr would be eligible for a budget of £8,153 for Ancillary Staff: Clerical. This budget is not used in full; it is understood that the school decided to allocate only £2,305 to the Ancillary Staff: Clerical budgetary heading in 2015/16 and transferred the remaining budget - £5,848 to other budgetary headings. The Head was questioned further on this matter and she gave an explanation that the

Head had advertised for a clerk some years previously and no-one had expressed an interest in the post. This means that the clerk who was employed at the time had continued in their post of working 5 hours a week. The Head expressed that she undertakes most of the clerical work herself and that this system worked at the school. It is understood that there are two teaching assistants at the school who are employed to work 35.75 hours a week and they were at the school until around 5pm and that they are responsible for doing most of the photocopying for the teachers.

Audit Opinion

(B) The Audit opinion is that partial assurance can be expressed of financial propriety in the workforce modelling arrangements at Ysgol Treferythyr as there are controls in place, but there are aspects where some arrangements can be tightened. The recommendations of the report are as follows:

- **It should be ensured that the teacher who had not signed their amended job description does so as soon as possible.**
- **It should be ensured that the job descriptions of the school's employees contain details about the employees' working hours or in the case of a teacher which "point" of a full week they work.**

THE SAILING ACADEMY
Economy and Community

Background

The £8million project of constructing the Sailing Academy and Event Centre in Pwllheli was joint-funded by the European Regional Development Fund through the Welsh Government and Gwynedd Council. The Sailing Academy and Event Centre is a multi-operational centre which includes a main hall for sailing and community uses, training and educational rooms and catering facilities. The building was opened in the summer 2015 and various events and competitions have already been held there.

Purpose of The Audit

The purpose of the audit was to ensure that the budgetary control and progress of the Sailing Academy construction project in Pwllheli is sufficient and in accordance with the Council's project management handbook. Ensure that payments made to contractors as part of the plan conform to the Procedural Rules, that the payments are accurately calculated with sufficient documentation to justify the payment.

Scope of the Audit

Check the arrangements and controls which are in place to mitigate a range of risks associated with the construction of the Sailing Academy in Pwllheli.

Main Findings

It appears that good and robust arrangements are in place by the Economy and Community Department and the Consultancy Department to manage the Sailing Academy construction project. It was seen that good arrangements exist where the Contracts Unit Manager keeps the details of all analyses that support the figures on the interim certificates electronically.

A sample of interim certificates relating to payments to the contract's main contractors were audited and checked against the analyses kept by the Contracts Unit Manager and they were found to be accurate. However, when the Economy and Community Department's files were audited it was seen that the details of all analyses were not on file to support the payments relating to the interim certificates.

The auditor is of the opinion that it would be good practice to ensure that all analyses are filed with the interim certificates before arrangements are made to archive the files. The main reason for this is that should an audit be conducted in coming years and the officers had moved on to other jobs, there could be a risk that nobody would be able to justify how the figures appearing on the interim certificates had been calculated.

A sample of payments made to contractors relating to the projects was audited and it was seen from the audit sample that 16% of them had not been paid within 14 days of receipt of the original invoice. The associated risk is that the Council could be punished by having to pay interest on late payments.

It was also seen when auditing the invoices and TR252 coding slips that there had been times when the tax point boxes had not been completed at all whilst on others it was seen that the correct dates had not always been recorded in the boxes, namely, the actual date when the invoice had been received, the date on the received stamp. The Payments Unit use the date recorded in the tax point box and the payment is made based on this date. This means that it is important for the correct dates to be inputted in the tax point boxes, to ensure that invoices are paid on time.

It is understood by the Strategic Projects Team and Contracts Unit Manager that it is their intention to complete a 'lessons learnt log' leaflet in the near future and that it is intended to receive input from the contractors also when undertaking the task.

Audit Opinion

(B) The Audit opinion is that partial assurance can be expressed of financial propriety in the controls of the Sailing Academy construction project, as there are controls in place, but there are aspects where some arrangements can be tightened. The recommendations of the report are as follows:

- **It would be good practice to ensure that all analyses to support the interim certificates are filed with the certificates on the files of the Economy and Community Department before the files are archived.**
- **Efforts should be made to pay contractors within the specific timescales and it should be ensured that the date when the invoice/certificate was received, namely the date on the received stamp, is recorded in the tax box on the TR252 coding slip.**
- **It should be ensured that the lessons learnt log form is completed.**

ARFON LEISURE CENTRE
Economy and Community

Background

Gwynedd Council Leisure Centres are located within the Healthy Communities Service, which is part of the Economy and Community Department. The management arrangements for the Centres have changed fairly recently and by now there are 4 Area Managers who between them are responsible for managing the county's leisure centres.

Purpose of The Audit

Ensure that arrangements exist in the Leisure Centre in order to control and mitigate risks appropriately, and in accordance with the Council's internal procedures and other relevant procedures.

Scope of the Audit

The Centre was visited to undertake an audit to ensure that appropriate arrangements are in place for the collection of income, budgetary control and that health and safety procedures exist to control various risks.

Main Findings

The Duty Manager confirmed that they produced relevant monthly reports for the centre. It was seen that "Point of Sales Transactions - Cancelled" had been produced as well as "Record Refunded" reports. When auditing the three month sample across the 2014/15 financial year, it was seen that the reports for February and July 2015 were available, but the 2014 ones could not be found on the day of the audit.

A sample of four "Applications to Hire Facilities" at the Centre was audited. Upon auditing the applications, it was seen that the invoice number or date had not been noted on the application and consequently, it was difficult to find the correct invoice that matched the "Application to Hire Facilities".

The Centre's debtors details were received from the Revenue Service and it was seen that the total debts were £19,637.10 on 08/06/2015. This total derived from a number of individual debtors (35).

The information and terms of customer direct debits are kept on a file in the Centre. This information is not kept under lock and key, but rather it is kept on a shelf in the back office behind the reception. This means that there is a risk that Personal Information could fall into the wrong hands by not keeping the information securely.

Equipment is marked in the Centre on a regular basis. However, no formal record is kept of what equipment has been marked or of the reference marked on the equipment. Consideration should be given to keeping this information on the Centre's property list so that the equipment could be tracked should anything be stolen.

There are staff induction arrangements in place at the Centre. This information is kept on the individual's personal training plan at the Area Manager's office. Upon auditing a sample of staff

induction packs, it was seen that it was mandatory for staff to read and understand the health and safety policy that was included in the induction pack. However, in the sample of two staff induction packs audited it was seen that they had not signed and dated to confirm that they had read the policy.

No formal record of checks on the level of first aid goods was available as evidence for the audit. The Duty Manager noted that they would produce a new form for undertaking first aid stock level checks. Following the audit, the auditor received a copy of the new form that had been produced in September 2015. However, it was seen that it had not been appropriately signed.

The Centre keeps incident reports to record the details of accidents that occur at the Centre, and also completes HS11 forms for serious accidents. The incident reports or HS11 forms are not kept under lock and key. This means that there is a risk that personal information about individuals might reach the wrong hands.

It was seen that harmful substances were kept in the Plant Room at the Centre. However, it was seen that this room was not kept locked during the day, but it was at night. This means that there is a risk for individuals/members of the public to be harmed should they enter the room.

COSHH forms are available in the Plant Room where the swimming pool substances are kept and they are kept on file. The last assessment had been completed in 2013 and it was noted on the COSHH documents at the Centre that the next assessment would not be undertaken until December 2018. This appears to be a long period without an assessment being undertaken.

Audit Opinion

(C) The Audit Opinion is that the financial propriety of Arfon Leisure Centre, Caernarfon cannot be stated with certainty since the controls in place cannot be depended upon, but no losses / fraud resulted from control weaknesses. The main recommendations of the report are as follows:

- **It should be ensured that the invoice number and date are noted in the relevant section of the 'Application to Hire' form in order to match the correct invoice to the 'Application for Hire'.**
- **The Centre's debts should be reviewed and seek to resolve these promptly.**
- **It should be ensured that any information concerning direct debits of Centre members are kept under lock and key.**
- **Consideration should be given to noting on the property list which equipment has been marked and the reference of the equipment.**
- **Consideration needs to be given to introducing the Council's Health and Safety policy to new staff and ensuring that they sign the induction pack.**
- **It should be ensured that stock checks are undertaken on first aid goods at the Centre and that the stock record is signed by a member of staff.**
- **It should be ensured that personal sensitive information on the HS11 forms and Incident Reports is kept under lock and key in accordance with the requirements of the Data Protection Act.**
- **Consideration should be given to locking the Plant Room to reduce the risk of the public gaining access to harmful substances.**
- **It should be checked whether or not it is required to assess the COSHH substances more often than every five years and they should be conducted more often if relevant.**

HOME CARE - COMMUNICATING WITH COMMUNITY CARERS

Adults, Health and Well-being

Background

Communicating and engaging with staff is key to ensuring that the residents of Gwynedd receive care and support of the best quality. To ensure that communication is successful, it is essential that what is communicated is reinforced by holding staff meetings, workshops and supervision. In addition, supervision has a huge impact on how staff work. It affects their confidence, motivation and competency; it affects how they work with their colleagues; it affects how they feel towards their job and employer. This all has a direct impact on the quality of the care offered to the people who use the service.

Purpose of The Audit

The purpose of the audit was to ensure that a sufficient structure is in place to communicate with Community Carers and that it is implemented successfully.

Scope of the Audit

The audit encompassed enquiring about the communication channels in place and what information is distributed to Carers, as well as what arrangements are in place for Carers to escalate any matter. This was done by questioning a cross-section of Carers from the three areas in Gwynedd to obtain their feedback on how they are updated on any changes in working arrangements, policies, training, etc. and what arrangements have been established so that they can escalate any concern or complaint.

Main Findings

The structure of the Service has been designed so that every Carer is accountable to Supervisors within their area. The Supervisors are the main contact point between 'the Council' and the Carers out in the field. In addition, a Community Services Deputy Manager in each area leads the Supervisors. The Carers' rotas are produced by the Planners in the relevant area office. The rotas are sent out by post on a weekly basis and any changes will be communicated via mobile phone.

Following discussions with the Carers, a general view was expressed that they were satisfied with the communication arrangements and noted that there was a good working relationship between them and their Supervisors, and it was felt that there was sufficient support available for them and that any concerns raised were addressed. However, in terms of day-to-day communication, some Carers referred to occasions where the office did not answer the phone and that arranging annual leave sometimes took an unacceptably long time before approval was received, and they noted that different visits sometimes clashed and that rotas needed to be planned better; however, the main complaint was the lack of phone signal in some parts in Gwynedd, and there were concerns regarding how this would affect the new PDAs (Personal Digital Assistant) that were soon to be adopted.

The Council's office staff received internal communication correspondence, such as the *Gair o Gyngor* Bulletin, information on activities or events in the Council, *Ffordd Gwynedd* updates, etc. mainly via the e-mail or Council's intranet. Until the Carers received the PDAs, alternative arrangements are needed to ensure that they receive this correspondence. Upon visiting area

meetings and holding discussions with the Carers, it was found that their experiences varied. Some expressed that they received correspondence by post with their rotas, others at the area meetings and others did not receive them at all.

The area meetings are an opportunity for the Carers and Supervisors to come together to discuss work matters. A sample of area meetings across the three areas were visited and it was seen that they were held on more than one occasion within the same period in the Arfon area, but once only for each area in Dwyfor and Meirionnydd. Also, it was seen that the numbers attending the area meetings varied. Upon questioning the Carers, it was expressed that those who attended the 'smaller' meetings appeared more content with the arrangements, with those who attended the 'larger' meetings saying that they sometimes felt that they only listened and that there was not much opportunity for an effective discussion. Another observation received was that the meetings discussed the same things every time.

One-to-one supervision meetings between the Carers and the Supervisors should be held in each quarter. However, the majority of the Carers noted that there were far fewer meetings than this in reality, with some expressing that they could not remember when their previous meeting had been held.

Each Carer suggested that they discussed training needs at the one-to-one meetings, and they were eager to receive training that was relevant to their jobs, such as Diabetes or Dementia if they cared for an individual with those conditions. However, many of the Carers noted that training was often discussed but that very often their requests for training were not realised or it was often postponed.

Other points raised during the discussion were that the Carers did not have access to a list of the Council's internal jobs. At the Meirionnydd area meetings, it was discussed that the workers had been nominated this year for a "The Council at its Best" award, but previously, the Carers had not been aware of the existence of the awards. It was found that the majority of the Carers were unfamiliar with *Ffordd Gwynedd* and that nobody was familiar with the Council's Children and Adults Safeguarding Policy but that they were aware of the POVA (Protection of Vulnerable Adults) plan and it was seen that the Carers' commitment towards their clients was obvious throughout the exercise.

Audit Opinion

(B) The Audit opinion is that partial assurance can be given of the propriety of the arrangements regarding 'Home Care - Communicating with Community Carers' as controls are in place, but there are aspects where some arrangements can be tightened. However, as the Service will adopt PDAs soon, which will replace the current arrangements, it is expected for the Service to monitor the satisfaction of the Carers and the efficiency of the devices continually to ensure strong lines of communication and ensure that appropriate training is planned and introduced.

ARRANGEMENTS FOR COLLABORATING WITH THE THIRD SECTOR
Adults, Health and Well-being

Background

The Council commissions work from the third sector to undertake within the care field. The contracts for this work are in their fifth year at present and there is an intention to commence new contracts for 2016/17. Specific attention was given to contracts within the adults field for this audit, including service and support on a number of issues such as dementia and mental health problems.

Purpose of The Audit

To review the contracts and joint-work with the third sector within the Adults, Health and Well-being Department (Social Services element) to ensure that robust governance arrangements exist, as well as suitable contracts where appropriate.

Scope of the Audit

To receive information on examples of working with the third sector by checking the arrangements surrounding the decision to enter into a contract and include the contracts already in place. The scope of the audit did not include the element of collaboration with the Health Board as that had been the subject of its own audit in 2014/15.

Main Findings

The contracts with the third sector organisations end on 31/03/2016. The original contracts were for a three year period; however, they were extended for an additional period following a meeting of the Voluntary Sector Liaison Group with Gwynedd Council. The Monitoring Officer's observations were received regarding the decision and he noted that he did not believe that procurement implications derived from the extension. There was no clause in the original contracts that noted the option of extending them; this would be something to add to the new contracts where procurement arrangements applied. It was also important to ensure that the estimated cost of any extension of a contract was included in the original estimated cost so that it could be ensured that the appropriate process was followed when contracting the work.

These contracts had been awarded originally after asking the organisations to submit grant applications. However, by the next contracts, the Department had identified that where there are specific services they wished to commission, they would follow the relevant procurement process for their value. However, they would provide a grant where the money would fund the core budget of the organisation. It was not currently expected for the organisations to submit an application for this grant whilst the Department was ascertaining the exact nature of the service it wished to commission. It was the Council's responsibility to behave impartially and giving a grant to the same organisations over and over could appear as if the Council was favouring them. It appears that the contracts have not been approved by the Legal Unit. Receiving input from the Legal Unit prior to the commencement of the process would be good practice to ensure that appropriate protection exists. The content of the contracts was checked and it was seen that the expected clauses had been included and it was expected that these would appear in the new contracts as well.

It was seen that a standard clause had been included in the sample of contracts checked for indemnity insurance. The minimum requested for Public Liability Insurance was £2,000,000. Following a conversation with the Risk Management and Insurance Unit, it was noted that this amount could be slightly lower now and it was recommended for the Adults Department to discuss the requirements with them to ensure that the appropriate level was included.

Before entering into a contract with the third sector organisations, the Council needs to be satisfied with the standard of the performance of these organisations, as well as their financial viability. The Council needs to ensure that the money would go towards providing a service of acceptable standard to the residents of Gwynedd.

Audit Opinion

(B) The Audit opinion is that partial appropriateness can be expressed of financial propriety in the Arrangements for Collaboration with the Third Sector as there are controls in place, but there are aspects where some arrangements can be tightened. The main recommendations of the report are as follows:

- **It should be ensured that the option to extend a contract is noted within the contracts and that the cost of that is reflected in the estimate costs when deciding on the appropriate way of advertising and going out to the market.**
- **The Council has a responsibility to be impartial, therefore care should be taken not to show favouritism towards specific companies or organisations. Therefore, consideration should be given to asking the organisations to submit an application for the grants received.**
- **It would be good practice if the Legal Unit reviewed the contracts in future.**
- **Consideration should be given to changing the minimum level of Indemnity Insurance requested in the service level agreements. It could be beneficial to discuss the matter with the Council's Insurance Unit.**
- **It should be ensured that invoices are checked appropriately and that the figures are transferred correctly onto the yellow TR252 forms.**
- **It should be ensured that the Council is satisfied with the organisation's performance before entering into a contract with them and that evidence of the performance is received.**

PLAS Y DON
Adults, Health and Well-being

Background

Plas y Don Residential Care Home is situated in Pwllheli and offers permanent and short-term care for residents.

Purpose of The Audit

The purpose of the audit was to ensure that the financial arrangements of Plas y Don Care Home are appropriate and in accordance with the Council's Financial Procedural Rules as well as to check the security arrangements and the management of medicines.

Scope of the Audit

The main income and expenditure areas were audited in accordance with the record in the 2014-15 ledger together with the Home's management arrangements. The Home's medication arrangements were audited to ensure that they were in accordance with the relevant regulations, legislation and guidance.

Main Findings

During the audit examples of good practices were seen in some of the Home's arrangements. However, it appears that there are examples of acting contrary to the Council's administrative arrangements, and consequently, contrary to the Financial Procedural Rules.

It is a requirement that the 'Record of a Resident's Money' is signed by two persons for every expenditure of the residents' pocket money. There were two cases where it was seen that only one person had signed the sheet. Receipts to support each expenditure recorded on the cards were not seen in some cases. The running balance was not correct on two out of five of the 'Record of a Resident's Money' forms.

A sample of 'personal items' sheets from the Care Plans of three residents was taken and checked. The forms had not been dated or signed to confirm their contents.

The home's imprest account was checked for 2014/15 and it was seen that applications for reimbursement had been made in November and December 2014 and in January 2015 and it was seen on all three occasions that they were over the predetermined expenditure level.

The home records on a sheet when and who has ordered the medication, checked the prescription and checked the medication received. The record was incomplete for the medication ordered in March and April 2015.

It is required for two members of staff to record that they have received the medication on the MAR (Medication Administration Record) sheet. A sample of 5 individual MAR sheets were checked and it was seen that there were two received signatures for medication on 4 of these sheets.

It was explained as part of managing the home's quality assurance, an independent officer visits the home periodically to check the Home's medication arrangements. At the time of the audit, the home's arrangements were not acceptable, with action points noted as urgent matters. Arrangements to revisit the Home to undertake a further independent review has been planned in order to ensure that arrangements improve.

Audit Opinion

(C) The Audit Opinion is that the propriety of the administrative arrangements within Plas y Don Home cannot be stated with certainty since the controls in place cannot be depended upon, but no losses / fraud were found as a result of these control weaknesses. The main recommendations of the report are as follows:

- **The budget should be monitored regularly, e.g. on a monthly basis and steps should be taken early should overspending on headings become apparent.**
- **Each order should be completed in full on all occasions when it is required to raise a formal order.**
- **It should be ensured that the Payments Service receives a name and a current signature sample from the officer who is entitled to certify the TR257 forms.**
- **It should be ensured that any money going in or out of the residents' personal money is recorded accurately on the individual cards and that they are kept up-to-date.**
- **It should be ensured that receipts are received for every expenditure incurred from the residents' personal money and that they are kept with the relevant individual card.**
- **It should be ensured that two persons certify and sign the individual cards when receiving and spending the money.**
- **It should be ensured that the running balance on the individual cards is accurate and is in-line with the money being kept.**
- **It should be ensured that the records of the residents' personal items are dated and signed by the relevant officer after being checked.**
- **A system should be established to mark equipment in order that it is possible to identify them as the Home or Council's property.**
- **It should be ensured that the applications for imprest money reimbursements are completed when the money goes down to two-thirds of the total imprest money, namely £100 in Plas y Don's case.**
- **It should be ensured that comprehensive records are kept of the arrangements for ordering medication, checking prescriptions and checking medications.**
- **It should be ensured that two members of staff sign that they have received the medication on the individual MAR forms in each case and that any medication administered to the residents is recorded in full.**
- **It should be ensured that action points following an independent review of the Home's medication arrangements are implemented as soon as possible so as to ensure compliance.**

PLAS HEDD
Adults, Health and Well-being

Background

Plas Hedd Residential Care Home is situated in Bangor and offers permanent and short-term care.

Purpose of The Audit

The purpose of the audit was to ensure that the financial arrangements of Plas Hedd Care Home are appropriate and in accordance with the Council's Financial Procedural Rules as well as to check the security arrangements and the management of medicines.

Scope of the Audit

The main income and expenditure areas were audited in accordance with the record in the 2014-15 ledger together with the Home's management arrangements. The Home's medication arrangements were audited to ensure that they were in accordance with the relevant regulations, legislation and guidance.

Main Findings

During the audit examples of good practices were seen in some of the Home's arrangements. However, it appears that there are examples of acting contrary to the Council's administrative arrangements, and consequently, contrary to the Financial Procedural Rules.

The home's expenditure was more than the budget set for the financial year 2014/15 in the following areas: workers; property; transport; and services and supplies due to various reasons such as the sickness and annual leave of contracted staff leading to the appointment of casual staff.

A sample of 15 invoices was selected and no order was attached to 6 of them. An estimated cost had not been noted on the permanent orders in the sample.

A sample of 'personal items' sheets from the Care Plans of 4 residents were taken and checked against the Manager's list of the residents' personal items. They did not match. The forms in the Care Plans had not been dated or signed to confirm their contents.

The records of the home amenities account were incomplete. Some of the orders had been completed on the same day that the invoice had been received. Excluding emergencies, it should be ensured that an order is appropriately prepared and authorised to ensure that a sufficient audit trail exists. The property list was not up-to-date as some items had been moved from the rooms. The Home did not use a system to mark the equipment/furniture purchased either.

It was seen that an incorrect code had been recorded on an application for an imprest reimbursement (TR24). Not all of the petty cash payment slip forms (TR24b) used for expenditure without an official order had been authorised.

Staff annual leave hours had not been calculated correctly in each case, and consequently, many staff members were eligible for more annual leave hours than they were receiving. Two cases were highlighted where annual leave had not been recorded correctly.

The home records on a sheet when and who has ordered the medication, checked the prescription and checked the medication received. The sheet had not been signed in each case. The stock record was checked (weekly) against the 'non blisterpack medication' forms - they did not match. The number of remaining medications had been calculated incorrectly. It was seen that the staff who undertook the stock check was aware of this as they had noted '9 missing' on 26/07/2015.

The home's spare keys are kept in the office, however, every member of staff has access to the office with a keypad, and this weakens the control over these keys.

Audit Opinion

(C) The Audit Opinion is that the propriety of the administrative arrangements within Plas Hedd cannot be stated with certainty since the controls in place cannot be depended upon, but no losses / fraud were found as a result of these control weaknesses. The main recommendations of the report are as follows:

- **It should be ensured that there is no overspend on the budget and that it is controlled and monitored regularly, e.g. on a monthly basis and to take steps early should any overspends on headings become apparent.**
- **It should be ensured that an official order is raised where appropriate before the invoice date, to ensure that the expenditure is authorised and to record the estimated price.**
- **It should be ensured that the records of the residents' personal items are up-to-date in their Care Plans and that they are dated and signed.**
- **It should be ensured that the records of the amenities account are comprehensive and tidy and reconcile with the ledger at the end of the financial year.**
- **Consideration should be given to having a system in place to mark equipment in order that it is possible to identify them as the Home or Council's property.**
- **It should be ensured that duties are segregated in the procedure for claiming a repayment by using payment instruction forms (TR27b) and the payee should not be associated with the process and also it should be ensured that evidence is available for the expenditure incurred.**
- **It should be ensured that receipts are available to support any repayment from the imprest account; however, in circumstances where there is no receipt, full details should be completed on the petty cash payment slip (TR24b).**
- **A VAT receipt should be received in each case where it is appropriate as a failure to do so affects the VAT that the Council can reclaim and will have a negative impact on the Home's budget.**
- **It should be ensured that the annual leave hours of staff are calculated correctly by using the guidelines 'Provider and Leisure Department's Staff Annual Leave Formula'.**
- **It should be ensured that each case of annual leave absence is recorded on the annual leave cards and approved by an authorised officer.**
- **It should be ensured that comprehensive records are kept of the arrangements for ordering medication, checking prescriptions and checking medications.**
- **It should be ensured that any medication being administered to residents is recorded in full in each case.**
- **It should be ensured that there is stronger control of access to the spare keys kept in the office as any member of staff can take them, e.g. keys to the medication cabinets.**

HAFOD MAWDDACH
Adults, Health and Well-being

Background

Hafod Mawddach Care Home is located in Barmouth and provides residential care for the service users. The home has been registered for 25 residents.

Purpose of The Audit

The purpose of the audit was to ensure that the financial arrangements of Hafod Mawddach Care Home are appropriate and in accordance with the Council's Financial Procedural Rules as well as to check the security arrangements and the management of medicines.

Scope of the Audit

The main income and expenditure areas were audited in accordance with the record in the 2014-15 ledger together with the Home's management arrangements. The Home's medication arrangements were audited to ensure that they were in accordance with the relevant regulations, legislation and guidance.

Main Findings

The main concerns identified during the audit were the considerations when monitoring the budget and the weakness in the procurement arrangements for goods or services.

Upon looking at the budget headings under the control of the Home's Manager, it was seen that there was an overspend of £31,679.99 for the 2014/15 financial year. Approximately £18,400 of it derives from the salaries headings. The other headings showing a substantial overspend are travelling costs (approx. £5,600), furniture purchases (approx. £11,100) and telephone costs (approx. £1,300).

From the salaries headings, it can be seen that a vast proportion of the overspend derives from costs deriving from the employment of casual staff to cover periods of annual leave, sickness and training for contractual staff. It was understood that many periods of long-term sickness had occurred over the past years.

It was given to understand that travelling costs were high as a result of the fact that two members of staff had been relocated to other homes and it was understood that the Home's Manager was aware of the overspend situation on the Telephone heading. It was seen that the number and duration of calls caused the majority of the costs.

Upon auditing the procurement arrangements for goods/services, it was found that the orders were not being raised in accordance with the Council's Financial Procedure Rules. In addition, it is felt that a more suitable reference could have been selected for the expenditure when looking at the invoice on a number of occasions. One example of this is that many invoices are being paid on the Furniture reference, but in reality, furniture had not been purchased.

It was seen from the home's records of its amenities account that the transactions recorded do not reconcile with the financial ledger. Nevertheless, it is seen that the account has been in credit in 2014/15 and in 2015/16 to date.

It was seen that the home does not have a property list and that it does not mark property to show that they are Council property.

When considering TR24 (Application for Imprest Account Reimbursements) applications, it can be seen that the total of many applications is above the guidance (total of applications to be more than approximately two-third of the total imprest level).

It was seen that the relevant forms are kept for stocking, distributing and disposing of medication and that they matched for the most part. However, there was one occasion where 2 painkillers (paracetamol) had been administered to the client but the sheet had not been signed by the responsible officer. Upon checking the booklet for controlled medication, it was discovered that there were two occasions where medication had been given to a resident but it had not been recorded in the booklet. Arrangements for storing the medication are good - there is assurance that they are kept safe, and it is seen that stricter arrangements are in place for controlled medication.

Audit Opinion

(B) The Audit opinion is that partial assurance can be given of the propriety of the managerial arrangements at Hafod Mawddach Residential Home as controls are in place, but there are aspects where some arrangements can be tightened. The main recommendations of the report are as follows:

- **Robust arrangements should be established to keep control over the telephone calls and to make enquiries if the costs appear high.**
- **That the officers who are taking part in the process of ordering and paying for goods/services attend the Financial Arrangements course, that are provided internally by the Learning and Development service.**
- **Update the forms that note which officers are entitled to sign various documents (such as orders, invoices and TR257 forms), and ensure that only the designated members of staff certify the documents. The information should also be sent to the Creditors Payments Service.**
- **Ensure that duties are segregated between the individuals who authorise the invoice and those who certifies the invoice for payment. In cases where it is not possible for the budget holder to certify an invoice, the responsibility should be delegated to an authorised officer in accordance with the information provided to the Creditors Payments Service.**
- **It should be ensured that the description of the reference is as close as possible to the goods/services purchased, to ensure that the financial ledger reflects the actual expenditure situation.**
- **It should be ensured that each transaction is recorded on the home's record from the amenities account and that this is compared in a timely manner with the monthly report received from the Finance Department to check that they both reconcile.**
- **VAT should be excluded when recording any expenditure, such as on the amenities account, as VAT is reclaimed by the Council and thus it is not a cost against the budget.**
- **It should be ensured that the home has a property list, in accordance with the Financial Procedure Rules (clauses 15.14 - 15.17).**
- **It should be ensured that any property with a value of over £100 has been marked to show that it is Council property.**
- **Ensure that the total of any application for imprest account reimbursements (TR24 form) is not more than approximately two -third of the total imprest level, in order to reduce the risk of going into debt on the account.**

MAINTENANCE OF BUILDINGS AND SITES

Highways and Municipal

Background

The Highways and Municipal Department has a number of buildings/sites with appointed Site Managers. In order to operate from these sites, there is a need to comply with the requirements of the 'OHSAS 18001' and 'ISO 14001' standards.

Purpose of The Audit

The purpose of the audit was to ensure that the Council complies with the requirements of the OHSAS 18001 (Health and Safety) and ISO 14001 (Environmental) standards in relation to Highways and Municipal buildings/sites, and ensure that these standards are maintained.

Scope of the Audit

To ensure that the Council complies with the requirements of the standards and check that arrangements are in place to inspect the buildings/sites regularly to ensure that the standards are maintained. A sample of buildings/sites was inspected in order to complete the audit.

Main Findings

Gwynedd Council holds the Occupational Health and Safety Management System and Environmental Management System accreditations, namely 'BS OHSAS 18001' and 'ISO 14001'.

The Health and Safety Unit visits buildings/sites on a regular basis to undertake inspections to ensure that the buildings/sites comply with the requirements of the accreditations. The Unit follows an audit programme that is relevant to their needs. Arrangements have been established in order to inform the relevant officers of the weaknesses highlighted during the audit and arrangements to ensure that actions are taken to improve the weaknesses. The area where the weakness was identified will be addressed in the next audit to ensure that the action has been successful.

In addition to the unit's arrangement, BSi external auditors visit the Department twice a year and undertake a combined inspection of the 'OHSAS 18001' and 'ISO 14001' standards. A report is prepared after each visit. This is part of an ongoing inspection to ensure compliance with the accreditations.

Site Managers have been appointed for each building/site that is part of the Highways and Municipal Department. A sample of sites to inspect for the audit was selected and the relevant location files were checked. Elements of duplication in the Site Managers' work was identified in relation to the location files, e.g. it was noted that there was a need to complete the 'Statutory Compliance Recurring Survey' form and the 'Health, Safety and Environmental Monthly Inspections Checklist' which include tests relating to fire arrangements. In addition, there is a need to complete documents such as the Fire Log Book.

The monthly inspections carried out in each site were checked:- 'Health, Safety and Environmental Inspections Checklist'. A list has been drawn out to enable Site Managers to identify any problems or weaknesses and make changes so that they are improved. One of the sites had not been completing the monthly inspections as required due to a lack of staff resources for many months. However, at the time of the audit, each site in the sample used the lists.

The 'Statutory Compliance Recurring Survey' forms were not being completed in each site, despite the fact that the Site Manager was aware of them. One Site Manager noted that some of the tests were carried out on a weekly basis but that he did not update the sheet to match this.

There is a possibility that such weaknesses could lead to the loss of the BSi accreditation and could result in serious implications for the Highways and Municipal Department in relation to contracts. These inspections are statutory and therefore any shortfall or failure to comply with the requirements is a breach of the law.

Audit Opinion

- (C) The Audit Opinion is that the propriety of the arrangements for Maintenance of Buildings and Sites cannot be stated with certainty since the controls in place cannot be depended upon, but no losses / fraud were found as a result of these control weaknesses. The main recommendations of the report are as follows:**
- **It should be ensured that the 'Health, Safety and Environmental Inspections Checklist' are completed on a monthly basis as required as it is a means of identifying problems or weaknesses that could cause harm. In addition, ensure that a back-up plan is carried out by a competent officer during the absence of the officer who is usually responsible.**
 - **Site Managers should ensure that the 'Statutory Compliance Recurring Survey' is completed and kept up-to-date and followed as required as it confirms that the necessary tests are completed.**

PONT BRIWET

Regulatory

Background

Work has been underway on the construction of the new Pont Briwet Bridge between Penrhyndeudraeth and Llandecwyn in order to replace the old bridge that crossed Afon Dwyryd which had stood since the 1860s. This £20.5 million scheme had been funded by the Welsh European Funding Office (WEFO), Welsh Government, TraCC, Network Rail and Gwynedd Council.

Following contentious delays, the new Pont Briwet is now open and since July 2015, vehicles, trains, pedestrians and cyclists can cross the bridge. Unfortunately, this challenging and complex construction project has been the subject of a number of technical and logistical problems from the start, which has led to uncertainty and delays to the work. Although the new bridge is now open, the project has not been completed in its entirety as administrative and financial matters remain ongoing.

Purpose of The Audit

The purpose of the audit was to ensure that the arrangements for closing down the Pont Briwet project are appropriate to ensure compliance with the requirements of the financing body and the Council's project management arrangements.

Scope of the Audit

The audit encompassed checking the arrangements and documents for closing down the project.

Main Findings

Until the end of the construction work, the main risk facing the Council, as the project's lead body, was delays which would mean that the projects would not be completed within the timetable of WEFO, the main funding body, and the associated costs. In addition, there was uncertainty over additional costs for the contractor and other external bodies. Internal Audit was of the opinion that reasonable steps had been taken by the Council to mitigate these risks and their impact should they be realised.

Since the bridge opened, the Council had been preparing the final WEFO grant claim, which was for approximately £2m. Before this payment would be processed, it was required for an independent report, "Evaluation of the Pont Briwet Redevelopment Scheme" to be submitted, which was currently in draft form. It is noted that the requirement for WEFO to receive an independent evaluation report had been a part of the grant conditions from the start, and not in response to the problems faced by the project. The draft report notes that there has been a clear logic for each of the key decisions made as part of the project, but acknowledges that lessons can be learnt as well. In relation to the risks associated with the project, the draft report expresses that all risks have been highlighted but that no consideration was given to the possibility that so many of those risks would be realised during the scheme due to the unlikelihood of occurring, e.g. the strongest storms for 200 years.

In the final grant claim, the Council can claim for eligible expenditure up to the total allocated. However, the project has spent more than what was planned originally. To date, some costs are to be agreed and are due; therefore, the Council only has estimates for them. These include costs to other bodies, such as Natural Resources Wales and Statutory Authorities. To mitigate the impact of this, there is an agreement in place between the Council and Network Rail that states that any additional costs will be shared between the two bodies. The Council will raise an invoice on them in due course, which will leave an additional contribution of £373k for the Council in the worst case scenario.

The WEFO audit team are in the process of preparing a comprehensive report on the scheme's value for money. They highlighted possible cases where the appropriate procurement procedures were not followed in some instances (such as when the scope of suppliers' work increases beyond the tendering threshold after the commencement of the work), therefore, there is a risk that some financial penalties could derive from this; unfortunately, there is no current suggestion as to what these could be. The Council has anticipated costs of up to £126k; however, it is noted that this would be in the worst case scenario.

The maintenance duties for the bridge will be shared between the Council and Network Rail. Although the Council does not disagree with the basic principles of the proposed arrangements, the Council has not accepted the contract proposed by Network Rail as they did not agree with the additional clauses which placed accountability on the Council. The Council's Solicitors are now preparing an amended version of the contract and it is hoped that it will be acceptable for both sides.