COMMITTEE	**GOVERNANCE AND AUDIT COMMITTEE**
DATE	**6 FEBRUARY 2025**
TITLE	**OUTPUT OF THE INTERNAL AUDIT SECTION**
PURPOSE OF REPORT	**TO OUTLINE THE WORK OF INTERNAL AUDIT FOR THE PERIOD TO 27 JANUARY 2025**
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**

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1. CYFLWYNIAD

1.1 The following report summarises the work of Internal Audit for the period from 1 October 2024 to 27 January 2025.

2. WORK COMPLETED DURING THE PERIOD

2.1 The following work was completed on the 2024-25 plan in the period from 1 October 2024 to 27 January 2025:

Description	Number
Reports on Audits from the Operational Plan	9

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 from 1 October 2024 to 27 January 2025, indicating the relevant assurance level and a reference to the relevant appendix.

TITLE	DEPARTMENT	SERVICE	ASSURANCE LEVEL	APPENDIX
School Transport Project Management	Environment	Schools Transportation	Limited	Appendix 1
Absence Management and Referral Arrangements (Part 2)	Corporate	Support Services	Satisfactory	Appendix 2
Whistleblowing	Corporate	-	Limited	Appendix 3
Creditors System - Key Controls	Finance	Creditors	Satisfactory	Appendix 4
Car Parks	Economy and Community	Maritime and Country Parks	Satisfactory	Appendix 5
Public Toilets	Highways, Engineering and YGC	Toilets	Satisfactory	Appendix 6
Homelessness Prevention Grant 2022/23	Housing and Property	Homelessness	Limited	Appendix 7
Housing Support Grant	Housing and Property	Homelessness	Limited	Appendix 8
Housing Waiting Register	Housing and Property	Housing Supply and Strategic Projects	Satisfactory	Appendix 9

2.2.2 The general assurance levels of audits fall into one of four categories as shown in the table below.

LEVEL OF ASSURANCE	**HIGH**	Certainty of propriety can be stated as internal controls can be relied upon to achieve objectives.
	SATISFACTORY	Controls are in place to achieve their objectives but there are aspects of the arrangements that need tightening to further mitigate the risks.
	LIMITED	Although controls are in place, compliance with the controls needs to be improved and / or introduces new controls to reduce the risks to which the service is exposed.
	NO ASSURANCE	Controls in place are considered to be inadequate, with objectives failing to be achieved.

3. WORK IN PROGRESS

3.1 The following work was in progress as at 27 January 2025:

- Education Digital Standards *(Education)*
- General Schools *(Education)*
- Unofficial School Funds Follow-up (*Education*)
- School Transport *(Education)*
- Breakfast Clubs *(Education)*
- Arrangement for the Distribution of Bins *(Environment)*
- Category Management (*Environment*)
- Category Management Follow-up *(Corporate Services)*
- Advice & Consultancy and Supporting Ffordd Gwynedd Reviews *(Corporate)*
- Safeguarding Arrangements - Establishments *(Corporate)*
- Proactive Prevention of Fraud and Corruption and the National Fraud Initiative *(Corporate)*
- Information Management - Establishments (*Corporate*)
- Use of External Meeting Rooms *(Corporate)*
- Staff Awareness of the Safeguarding Policy *(Corporate*)
- Street Cleaning *(Highways, Engineering and YGC)*
- Smallholdings – Follow-up *(Housing and Property)*
- Homelessness Prevention Grant 2023/24 *(Housing and Property)*

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 October 2024 to 27 January 2025, comment on the contents in accordance with members' wishes, and support the actions agreed with the relevant service managers.

SCHOOL TRANSPORT PROJECT MANAGEMENT

1. Background

1.1 The Council provides free school transport to Primary and Secondary school children who fall into the various categories within the School Transport Policy, namely Primary pupils who live 2 miles or more from the catchment or the nearest school, Secondary pupils who live 3 miles or more from the school catchment area or the nearest school, and additional learning needs schools. There were 204 taxi and 106 school/college buses contracts awarded in April 2024, and this was a mixture between primary schools, secondary schools, and additional learning needs schools.

2. Purpose and Scope of Audit

2.1 The purpose of the audit was to ensure that suitable arrangements were in place for managing and monitoring contracts with school transport suppliers and that robust controls are in place to safeguard pupils. To achieve this, the audit encompassed reviewing contracts for a sample of suppliers and ensuring they are complete and meet the service requirements under the Education Act 1996, reviewing the tender processes, reviewing contract monitoring and management arrangements, and confirming that DBS checks are carried out in a timely manner and that the suppliers adhere to relevant Council policies, including the Alcohol and Drug Policy.

3. Audit Level of Assurance

3.1 The controls for risk mitigation were examined. The auditor's assessment concludes that the level of assurance of the audit is as follows:

Assurance Level	Description
LIMITED	**Although controls are in place, compliance with the controls needs to be improved and / or introduce new controls to reduce the risks to which the service is exposed.**

4. Current Score Risk

4.1 The audit's risks are as follows:

Risk Level	Number
VERY HIGH	0
HIGH	2
MEDIUM	1
LOW	0

5.   Main Findings

5.1   The School Transport Policy 2022-23 has been published on the Council's website, which includes the criteria for receiving free school transport, as well as how to apply for it, information about ineligible pupils and the code of conduct, in accordance with the Education Act 1996. Contact details, timetables and routes are available on the website, but the link for the fees is inactive. Arrangements are underway to update the School Transport Policy.

5.2   The Council uses an electronic purchasing system (DPS) to provide an Education and Social Care transport service. The DPS system is set up to purchase goods, work or services, and it is commonly used. A sample of 6 taxi companies and 6 bus companies were reviewed. The Single Procurement Document was received for 9 of the sample, which is a document setting out what information is required by the Council to assess the suitability of the applicants in terms of compliance with the criteria, their economic and financial position, technical and professional ability. In addition to this document, an additional contract is sent out to the suppliers for signing, but from the sample seen, no suppliers had returned the contract back. The Corporate Category Manager was questioned about this and explained that the document is not a priority because the companies have stated that they accept the terms and conditions of the agreement through the 'eTenderWales' system as part of the DPS process and the Single Procurement Document. In addition, it has been reported that the Corporate Category Manager has received advice from a law firm that an agreement does not have to be signed before being binding.

5.3   The Department operates on a contract performance management point system attached to annex A of the terms and conditions document that is sent out to suppliers. The award of a total of 100 points in any rolling 12-month period will trigger a decision to terminate a contract for a specific route under the general conditions of the contract. There was no example or evidence of this being implemented during the audit, and the Transport Manager explained that there has been no case to allocate points. Due to a lack of resources, the Department has been unable to monitor contracts on a regular basis. This was confirmed for the sample checked. It was expressed that the transport officers carried out checks based on complaints received, but no clear supporting evidence of the checks have been kept.

5.4   Examples of external risk assessments carried out were received, and enquiries were made to see if there were internal risk assessments. It is a requirement for suppliers to provide their own risk assessment when accepting a contract with the Council. For the sample of contractors selected, 5/12 risk assessments were found to be unavailable. Emails were seen from a transport officer asking for the risk assessments, and that they wanted to initiate penalties to companies that don't respond.

5.5 The Manager explained that if an accident occurred or child was hurt, the operator would fill out the 'HS11' form and send it to the Health and Safety Service. The Health and Safety database was checked for any recent HS11 forms, but there was no record at all relating to school transport.

5.6 The Transport Manager was questioned about compliance arrangements with the Council's Alcohol and Drug Policy, and explained that the Transport Service does not have arrangements in place, but would contact the police if they were aware of a case where a driver is under the influence of alcohol and/or drugs. The Council has established a new Policy since May 2024, which recognises bus/minibus driving as a 'Very High Outcome Work' following a risk assessment on employees, but this policy is currently not adopted by schools. The old policy (2012) is still in operation, where it is possible to arrange a blood drug or alcohol test if a member of staff is suspected to be at work under the influence, but this does not include Contractors. The Health and Safety Service intends to negotiate with unions in the coming months with the purpose of adopting the new policy from the schools.

5.7 A sample of DBS disclosures were reviewed for 5 taxi companies and 6 bus companies. The Transport team is responsible for the bus companies and the Licensing service is responsible for the taxi companies. The Licensing service uses the 'Tascomi' system for keeping DBS information, and it is possible to see which disclosures come to an end by changing a tab on the system. All 5 from the taxi sample were found to have a current DBS disclosure. The Transport Team used an Excel spreadsheet for retaining bus drivers' DBS information, and from the spreadsheet, it is suggested that the disclosure of 16 bus drivers from companies that were in the sample has ended. This was highlighted to the Transport Manager who explained that 6 have been renewed, 2 drivers are on public buses only and therefore not required a DBS, 2 are not working for the company any more, the Council is waiting for a copy of the DBS for one in the sample, 3 have been renewed by Anglesey Council and awaiting to have a copy on file, and one has had to complete another form as the DBS has been cancelled. 4 in the sample were found to have been renewed in May/June 2024, but the Manager did not receive them until the end of September. It was explained that there is a lack of resources because a member of staff has left the team and therefore the DBS spreadsheet used is not up to date and appears not to be updated regularly. The Transport Manager confirmed that they can change to a system on 'iGwynedd' so that DBS disclosures can be monitored more closely.

6. **Actions**

    The Transport Manager has committed to implementing the following steps to mitigate the risks highlighted.

    - **Contact the operators to verify if alcohol and drug tests are being carried out.**
    - **Use the action points system to initiate penalties on companies that don't send documents.**
    - **Regularly monitor and manage school transport contracts and ensure thorough records are kept.**
    - **Update the School Transport Policy and display it on the Council's website.**
    - **Move to the Council's DBS system to keep current DBS details and ensure checks are carried out.**

ABSENCE MANAGEMENT SYSTEM AND REFERRAL ARRANGEMENTS

1.   Background

1.1   Part 1 of the audit was undertaken in April 2024 to identify risks and any significant actions to be completed prior to the system's operational date of 1st June 2024. Adequate arrangements were reported in place for the planning and system design in July 2024 with four risks highlighted and actions agreed for mitigation.

2.   Purpose and Scope of Audit

2.1   The purpose of Part 2 of the audit was to ensure that managers appropriately processed their staff's sickness absences in the system and in compliance with the Sick Leave Policy (effective from 1st June 2024). To achieve this, the audit encompassed requesting the IT Service to extract data and create specific reports from the system for monitoring compliance and proving that the data are accurate, complete and have been inputted in a timely manner.

3.   Audit Assurance Level

3.1   The controls for risk mitigation were examined. The auditor's assessment concludes that the level of assurance of the audit is as follows:

Assurance Level	Description
SATISFACTORY	**Controls are in place to achieve objectives but there are aspects where the arrangements can be tightened to further mitigate the risks.**

4.   Current Risk Score

The risks of the audit are as follows:

Risk Level	A lot
VERY HIGH	0
HIGH	0
MEDIUM	2
LOW	1

5.   Main Findings

5.1   During Part 1 of the audit, four additional risks were identified, and it was confirmed that the agreed actions had been included on the action plan and that the implementation status and any other deficiencies were discussed at a weekly meeting between the Support Service, Human Resources and IT officers. Of the 4 risks reported, three of the actions were implemented. For the remaining risk that remain current, this has been added to the agreed action plan in this report with the actions and any extensions agreed with the project coordinator.

5.2　The Human Resources Systems Project Officer reported that she continues to coordinate the implementation of the project and it was clarified that all Services apart from the School Service, use the system for recording sickness and comply with the new policy. The Council and Unions are in discussions regarding the implementation of the policy in Gwynedd's schools. Meanwhile, the Salaries and School Contracts Team Leader continues to run the sickness reports to Corporate Services to feed the information into the Payroll system and for insurance purposes.

5.3　The Human Resources Team Leader Advisor expressed that the following reports are operational:

- Departments, sickness period compared to input period.
- Staff on the trigger stages 1, 2 or 3
- Staff who have not received return to work meetings following a leave of absence.
- Those not acting on the 'triggers' such as those without a valid fitness note, no contact during long-term sick leave.
- Staff under the Sickness Capability Panel
- Staff on long-term sick leave

However, there is currently no report for identifying compliance to Occupational Health and referral triggers or to identify the illness reasons.

5.4　However, the system needed to be able to create reports to monitor the Council's sickness absences within the departments and the cause, for reasons such as performance review meetings. The Research and Information Manager (October 2024) provided an update that the June figures are available but that the intention is to produce a complete 'year to date' report for the Heads of Departments once a report for July to September statistics can be extracted and are accurate, but also with April and May figures (from the old system) for comparison, in hope that the data will report by Service and with the category of illness.

5.5　The foundation of the module appears to be functional and appears appropriate for managing sick absences and referral, but the system is also expected to include the following key controls and functions;

- Prove that there is certainty over backup arrangements and that the data can be recovered effectively.
- That the right to create reports and the ability to manage information type and extraction from the system can be allocated to specific officers.
- Ability for managers to run reports needed for sickness management of their staff.

6. **Actions**

   The Human Resources Systems Project Officer has agreed the following actions to mitigate the risks highlighted:

   - **Receive assurances from IT that information is successfully saved or that unsuccessful backups can be identified.**
   - **Conduct a recovery test of backup data on the module, and ensure that the data has been correctly recovered by confirming with the relevant service/s.**
   - **Supportive Officers given the right to act on sick requests/queries from line managers.**
   - **Continue to develop and test the system to ensure bespoke sickness absence management reports etc can be run.**
   - **Continue to develop reports for compliance monitoring.**

WHISTLEBLOWING

1. Background

1.1 The Policy was formed with the intention of encouraging staff to come forward and express any serious concerns regarding misconduct, to maintain the public's confidence and to preserve the Council's reputation. The Policy's purpose is to enable and encourage workers to share major concerns internally rather than attempt to solve issues externally.

2. Purpose and Scope of Audit

2.1 The purpose of the audit was to review office-based staff's awareness of the Whistleblowing Policy and to discover their general opinion on it and its procedures. This was carried out by designing and distributing an online questionnaire to office-based staff to find any changes in the awareness levels since a similar exercise in 2017. The results of the audit reflect the Council's culture.

3. Audit Level of Assurance

3.1 The controls for risk mitigation were examined. The auditor's assessment concludes that the level of assurance of the audit is as follows:

Assurance Level	Description
LIMITED	**Although controls are in place, compliance with the controls needs to be improved and / or introduce new controls to reduce the risks to which the service is exposed.**

4. Current Risk Score

4.1 The audit's risks are as follows:

Risk Level	Number
VERY HIGH	0
HIGH	2
MEDIUM	0
LOW	0

5. Main Findings

5.1 The Council's Whistleblowing Policy is available to read bilingually in the Council's policy centre. The following were seen upon reviewing the policy:

- The policy does not include contact details for whistleblowing e.g. officer name, telephone number, email address, postal address.
- The external body is referred to as 'Public Concern at Work', but they have changed their name to 'Protect' since 2018.

5.2 817 responses were received out of over 2,000 employee email accounts, a response of approximately 40%. 82% of those staff were aware of the Policy which is a decrease from the equivalent 2017 response of 87%.

5.3 The survey showed that most of the staff became aware of the Policy through the Policy Centre (369) and their line managers (150). Only 41 became aware due to receiving a Whistleblowing Card and 39 through a poster. 88 of the workers became aware due to an induction pack/session.

5.4 Those that were aware of the Policy were asked if they had confidence in the current system by providing a score between 1 and 5, (1 denoting 'no confidence' and 5 'total confidence'). The average score was 3.3, indicating that employees found the current system satisfactory, this is consistent with the 2017 average score of 3.4.

5.5 25 members of staff stated that they had 'blown the whistle'. 12 of these individuals noted that the matter had been solved and 8 stated that it had been solved to some extent. 16 (of the 25) were satisfied with how the matter was dealt with (12 matters were solved and 4 were solved to an extent, in their opinion).

5.6 For those who stated that they were unaware of the Policy, they were asked if they had ever had concerns regarding misconduct in the workplace but had not acted due to not being aware of the Whistleblowing Policy. The survey found that 15 individuals had not acted as they were unaware of the policy.

5.7 The survey listed scenarios in the workplace where a worker should 'blow the whistle', and then asked which scenarios the workers would be likely to 'blow the whistle'. The scores denote the percentage of workers who would be willing to 'blow the whistle' in the scenarios given below. There is a decrease in all scores since 2017.

"Something that…	
… is unlawful, fraudulent or corrupt	90%
… constitutes maladministration as defined by the Local Government Ombudsman	62%
… is against, or fails to comply with the Council's Standing Orders, Financial Regulations or policies, codes of conduct or legal obligations	71%
…falls below established standards of practice	56%
… breaches any statutory code of practice	68%
… amounts to improper conduct	78%
… constitutes sexual, physical, or emotional abuse of clients	90%
… endangers the health and safety of any individual	84%
… is causing, or is likely to cause damage to the environment	61%

… is a miscarriage of justice;	*74%*
… is an abuse of power or use of the Council's power and authority for an unauthorised purpose	*78%*
… fails to rectify or take reasonable steps to report a matter likely to give rise to significant and avoidable cost or loss of outcome to the Council or would otherwise prejudice the Council	*61%*
… is an attempt to cover up any of the above examples	*82%*
None of the above	*4%*

5.8 On average, 73% of workers noted that they were willing to 'blow the whistle' compared to 83% in 2017. If the respondent declared that they would not 'blow the whistle' they were asked to explain why. Many indicated that they had no faith in the arrangements or in their managers and consequently worried about the implications on them personally or on their jobs / careers. A sample of the responses are provided below.

"Concern that my identity will not remain confidential and risk if nothing comes out of the matter."

"Due to past examples where the Council has not acted in high profile cases when an individual or individuals have blown the whistle members of staff tend to think there is no point in raising an issue as they suspect some form of cover-up will take place."

"Fear of harassment/or abuse from the person doing it, such as a line manager and fear of negative impacts on a job and personal development into the future."

5.9 The number of responses is evidence that the Council's workers feel that Whistleblowing is important. The comments and recommendations include concerns that whistle blowers are not protected, there is a lack of support and that the process is not as confidential as it should be. A number of responses included comments that an increase in policy awareness is needed primarily through promotion and training. Many suggested increasing the use of posters in visual spaces or distributing more cards as well as holding training sessions or a mandatory e-module.

5.10 The full statistics have been shared with officers.

6. **Actions**
The relevant officers have committed to implementing the following steps to mitigate the risks highlighted.

- **Update the policy including adding current contact details.**
- **Create and implement an awareness raising and promotional plan for the Policy.**

CREDITORS KEY CONTROLS

1.   Background

1.1   Council invoices are processed for payment centrally by the Payments Unit. During 2023/24 local invoices were processed within around 20 days on average, while the non-local invoices took around 27 days. A high percentage of payments have been paid through BACS during 2023/24 with fewer cheque payments being processed due to an effort to move more payments to BACS, seeking to modernise and improve efficiency, and the Unit is promoting more departments to send information electronically to reduce duplicates and to process those invoices more quickly. Some Services have also agreed to process invoices themselves such as Residential and Community Care Service to pay care providers weekly. Invoice details are inputted on a spreadsheet, and loaded into the system for payment. The Payments Unit approves the payments before making the payment runs. This process is being trialed with the hope to expand to other services in the future which will reduce the workload of the Payments Unit.

2.   Purpose and Scope of Audit

2.1   The purpose of the audit was to ensure that key creditor system controls were properly implemented. To achieve this, the audit encompassed reviewing established controls for creating and modifying supplier details, processing, approving, and paying invoices, reconciliations of the system, and system backups and access rights.

3.   Audit Assurance Level

3.1   The controls for risk mitigation were examined. The auditor's assessment concludes that the level of assurance of the audit is as follows:

Assurance Level	Description
SATISFACTORY	**Controls are in place to achieve their objectives but there are aspects of the arrangements that need tightening to further mitigate the risks.**

4.   Current Risk Score

4.1   The risks of the audit are as follows:

Risk Level	A lot
VERY HIGH	0
HIGH	0
MEDIUM	5
LOW	1

5.   **Main Findings**

5.1   There appears to be no staff manual for Payments staff. However, the Payments and Systems Manager explained that a 'user guide' for the bigger processes such as closing month-end accounts, loading and approving payments is available. Regular tasks such as inputting bulk of invoices is not documented because the procedure is easily done. In addition, the Constitution of the Council 16.20.24 refers to the rights of signatories *'The names of officers authorised to certify such accounts shall be sent to the Head of Finance by each Chief Officer, together with specimen manuscript signatures and initials and shall be amended on the occasion of any change.'* However, the list of signatories is no longer up to date and is not used by the Payments Unit. It was clarified that the Payments Unit receives the invoices to be paid by email from the Services with the authorisation slip (TR) attached completed for each invoice to be processed.

5.2   The Payments and Systems Manager expressed that monthly reconciliations had not been implemented regularly during the audit but agreed that these should be reconciled on a monthly basis and the task will be added to the end of each month.

5.3   The Payments and Systems Manager produced an 'aged creditors report' which showed outstanding balances on the accounts. From when the report was run (14/06/2024), it was found that only 4 of these invoices were over 90 days with a total of £8,793.07, and the rest within the 30 days. These were checked against the system to identify reasons for the amounts due, but appeared to still be due for payment. The Payments and Systems Manager explained that the Unit has begun to conduct data cleansing exercises to the system, identifying the number of invoices with high totals in each Service, and checked with the suppliers to identify reasons for the ongoing debt on the suppliers' accounts and to resolve the issues.

5.4   In addition, from the above report it was observed that several of the supplier showed a credit on the account, i.e. amounts were due to the Council. From the report it appears that a total of £101,281.55 worth of credit notes are outstanding on the system, totalling 61 supplier accounts. £72,714.65 appears to be over 90 days in credit. An independent report of all credit notes on the system was produced and showed a total of around £113,200 of credit balances with the longest record back in 2017. A credit note on the system indicates that a historical credit has been given to the Council, but these appear to be outstandings and are still awaiting to either be claimed/used. A sample of accounts was reviewed, and these appear to be with credit balances on the account. The Payments and System Manager expressed that the system suspends any payments where credit is on the system until these are cleared. The departments are responsible for re-claiming the credit back to the Council. Since the audit, the Payments and Systems Manager confirmed that, from November 2024, a monthly report is being run of credit balances to departments to seek to re-claim outstanding credit balances back into the Council's account.

5.5 There are several methods for identifying duplicate creditors. The Payments and Systems Manager expressed that there are many duplicate creditors on the system and it is not feasible to remove them without affecting the audit trail. However, there is the possibility of disabling them. As it is not feasible to review, the system continues with high volume of creditors duplicated on the system which increases risk of duplicate payments. To avoid creating more duplicate creditors on the system, the Payments and Systems Manager expressed that the Unit review the supplier bank details on the system before creating new creditors and if there appears to be more than one account against the same details, then officers will disable the duplicate ones.

5.6 A review into the Unit's system backup processes was undertaken to identify whether the system's backup data can be successfully recovered should the Council experience system breakdowns, and the IT Officer expressed that it is possible to run a test on the system but it means that the system will not be operational for a short period of time, in addition a plan will be required for timing the procedure and to validate the data with the Services once the data has been recovered to ensure that the data is accurate and has been successfully recovered. Because of this, the test has not yet been carried out on the system data.

6. <u>Actions</u>
The Payments Unit is committed to implementing the following steps to mitigate the risks highlighted:

- **Publish a formal handbook for Payments Unit staff to ensure that processes are implemented consistently, effectively, and efficiently and any update of financial procedures is revised and approved.**
- **Request IT for assurance that the system's data can be effectively recovered from the backup data**
- **Regular reconciliations from the system to the ledger to ensure balances are correct and any discrepancies can be resolved in a timely manner.**
- **Review invoices on the system that appear to be outstanding for some time and high in value (either one invoice or accumulated) so that payment can be verified or removed.**
- **Review duplicate creditors on the system to check its validity and to either disable or not by**
    - **Request a script from Advance of duplicate creditors that have not been used for some time;**
    - **Review a report of suppliers who have last received a cheque payment and is older than 2/3 years;**
    - **Staff to check duplicates when creating and changing creditors' details mainly by checking bank details;**
    - **Staff refuse or accept duplicate NXG report checks**
- **Review the credit notes outstanding on the system to identify credits that can be reclaimed. Conduct monthly reviews for ensuring credit notes are valid, used or reclaimed.**

CAR PARKS

1. Background

1.1 The Economy and Community Department is responsible for car parks in country parks and some of the beaches, managed by the Leisure Resources Manager and the Maritime Service Manager. There are currently 2 established car parks in Llanberis, Dolbadarn and Gilach Ddu with parking pay machines, and a new site established, Y Glyn, has been charging a fee since June 2024. The Maritime Service has three car parks charging fees, Macroes beach in Abersoch and Porthmadog Harbour, and in Dinas Dinlle beach since August 2024. In addition, Morfa Bychan beach charges an entrance fee. There are 'Pay and Display' machines on the sites that are either provided historically by the company 'Metric' or 'Flowbird' for new ones.

2. Purpose and Scope of Audit

2.1 The purpose of the audit was to ensure that suitable arrangements were in place for charging and collecting car park fees from country parks, beaches, and harbours. To achieve this, the audit encompassed obtaining a list of chargeable car parks to verify income collection, receipt, and reconciliation in a timely manner. In addition, to identify any savings/benefits from co-working/sharing car park management assets with the Environment Department.

3. Audit Level of Assurance

3.1 The controls for risk mitigation were examined. The auditor's assessment concludes that the level of assurance of the audit is as follows:

Assurance Level	Description
SATISFACTORY	**Controls are in place to achieve their objectives but there are aspects of the arrangements that need tightening to further mitigate the risks.**

4. Current Risk Score

4.1 The audit's risks are as follows:

Risk Level	Number
VERY HIGH	0
HIGH	0
MEDIUM	3
LOW	0

5.   Main Findings

5.1   Four of the car parks allow payments via credit/debit cards and the rest accept cash only, with the intention to change the machines to accept cards by 2025, which will be funded through Park Padarn's budget.

5.2   Two of the new car parks that have been set up are with 'Flowbird' machines and the rest are 'Metric' machines. Maritime 'Metric' machines accept cash only and have their own money collecting arrangements, where staff are responsible for reconciling and paying in the cash into the Council's account. No issues were reported arising from this arrangement, but it was recognised that there are associated risks that can be mitigated by moving to card machines.

5.3   Other 'Metric' machines from the Country Park Service accept payments via debit/credit cards. Payments are also collected through the 'PaybyPhone' app, where the money is paid into the Council account minus the commission amount charged by the 'PayByPhone' company. A report is provided by 'Metric' and 'PayByPhone' with a breakdown of the payments and is sent to the Income Service, where the Reconciliation Officer will process the income to the relevant codes in the ledger. The Warden's report agreed with the 'PaybyPhone' report for April 2024 to the end of June 2024 and to the ledger, and the Warden's report for 'Metric' which accepts card payments on behalf of the Council. There were differences found in trying to reconcile the balances, but there appeared to be different 'cut off dates' to the Warden's report against the 'PayByPhone' reports.

5.4   The 'Security Plus' company collects cash from the 'Metric' machines and pays them into the Council's account and issues an invoice to the service directly to the attention of the Chief Warden for processing. A sample of 'schedules' were checked against the money received in the ledger and the Warden's report. There was no evidence that these were reconciled on a regular basis.

5.5   In terms of 'Flowbird' machines, money from 'TillPayments' for Y Glyn is received daily and goes straight against the Park's parking code in the ledger. This was confirmed by reviewing the ledger. The same arrangements will be in place for the monies collected from the Dines Dinlle car park.

5.6   The Leisure Resources Manager explained that Y Glyn car park has been funded by securing a grant for the visitor site and therefore the income from such car parks needs to meet the grant criteria and comply with grant requirements to qualify. It has been reported that the 'Pethau Pwysig' grant and 'Levelling Up Fund' have been secured for visitor sites including the Gilfach Ddu site/car park to be developed and to the Dines Dinlle car park.

5.7 One significant concern highlighted by the Services is the lack of implementing parking fines and enforcement arrangements in place for vehicles in breach of car parking fees. No parking enforcement service was in place within the Economy and Community Department at the time of the audit. It was reported that there is an enforcement right in place, but no resources in place to implement it. The Maritime Service Manager expressed that the Service has been placing stickers on cars found parking without paying as a deterrent. This means that the Council is losing long-term income. In addition, they recognised this is where the Enforcement Service, Environment Department can assist them, to support and contribute towards ensuring an income stream for the Council and to meet the Council's savings target. Losses are incurred if enforcement arrangements are not in place.

5.8 Management reported that the Service will welcome the Environment Department Parking Enforcement Service to enforce Economy and Community parking sites and is satisfied that any penalties recovered through the Enforcement Service will go towards the Environment Department's income stream. In addition, this will ensure consistency in Council's car parking fees enforcement arrangements and reduce complaints from the local public/residents.

6. **Actions**

The Economy and Community Department is committed to implementing the following steps to mitigate the risks highlighted:
- **Upgrade all car park machines to enable card payments to be accepted.**
- **Collaborate with the Environment Department to ensure that all car parks are subject to enforcement by the Environment Department.**
- **Ensure that responsibilities for reconciling all car park income to the ledger and to the machines is undertaken and that any differences are explained.**

PUBLIC TOILETS

1.   Background

1.1   The Council has 61 public toilets in Gwynedd, which in terms of numbers, is the highest provision in Wales managed by a Local Authority. Following the Gwynedd Challenge engagement exercise in 2016, and to achieve a £244,000 cut in the services, an alternative provision was adopted through a Partnership Scheme with Town and Community Councils to keep the majority of the County's existing toilets open for the future.

2.   Purpose and Scope of Audit

2.1   The purpose of the audit was to ensure that suitable arrangements are in place for the provision of public toilet facilities. To achieve this, the audit encompassed ensuring that the Council complies with the Public Health (Wales) Act 2017, as well as reviewing its arrangements with partners, such as local businesses and Town and Community Councils.

3.   Audit Level of Assurance

3.1   The controls for risk mitigation were examined. The auditor's assessment concludes that the level of assurance of the audit is as follows:

Assurance Level	Description
SATISFACTORY	**Controls are in place to achieve their objectives but there are aspects of the arrangements that need tightening to further mitigate the risks.**

4.   Current Score Risk

4.1   The audit's risks are as follows:

Risk Level	Number
VERY HIGH	0
HIGH	0
MEDIUM	3
LOW	0

5.   Main Findings

5.1   Like all Welsh Authorities, Gwynedd has a statutory duty to assess the needs of the local community under the Public Health (Wales) Act 2017: Part 8 (Provision of Toilets) by preparing and publishing a local toilet strategy for their area. The strategy aims to ensure the provision of properly maintained, clean and safe facilities. Following discussions with the Highways, Engineering and YGC Department, work appears to be at hand to review the Strategy before May 2025. The Strategy expresses that the Council will undertake a review and prepare an interim progress report every two years. Minutes were submitted to the Leadership Team in September 2023 discussing the steps and suggestions in relation to the toilets.

5.2   In 2010, a pay toilet system was introduced at 5 public toilets in Gwynedd. The current fee for toilet access is 20 pence. A document was received setting out the running costs of such facilities, their income, the income target and the actual income, and the figures show that the current income target is not achievable. Income for 22/23 was £4,676 in cash. A large financial gap exists as the income target for 22/23 was £57,960. The problems with the facilities were highlighted, such as the machines had reached the end of their lives, the facilities face regular vandalism incidents and the cost of collecting the cash was high. The Service looked at alternative options for the pay toilets and was trialling payment by cash and card, and had received bid money from the Leadership Team to invest in new payment equipment and hopefully will be operational by the next financial year.

5.3   Following the Gwynedd Challenge engagement Exercise in 2016, a Partnership Plan with Town and Community Councils was in place to keep most of the County's existing toilets open for the future. The scheme was developed as an arrangement to work with the Town and Community Councils and for them to contribute towards the running costs of the toilets. Contracts are in place with the Councils to reflect their commitment to the scheme, but also their financial contribution to the costs of their provision. The Head of Highways, Engineering and YGC explained that income is generated through the contributions, but the fees do not increase with inflation, and therefore a financial gap exists. Following discussions with the Service, it is proposed to introduce inflation on the annual fee to close this gap, and this is currently being addressed.

5.4   The Council pays shops, restaurants, and pub owners a sum of up to £500 to allow the public to use their toilets, thereby expanding the provision of publicly available toilets. It is stated in the terms and conditions of the grant "*that the service provider must display at least one sign showing on a suitable window or door that they are a member of the scheme and to inform the public of their right to use the toilets*". During the audit, 6 grant-receiving businesses were visited to check this, and it was found that only 1 location displayed Cyngor Gwynedd's specific sign, but an external confirmation was received that two other businesses were displaying the sign. The Head of Highways, Engineering and YGC confirmed that new signs are being printed and will need to be distributed to all businesses, and to introduce a better monitoring system for businesses that have received the payment.

6.   **Actions**

The Service has committed to implementing the following steps to mitigate the risks highlighted.

- **Annual audits are to be carried out for all businesses on the scheme.**
- **To discuss with Community and Town Councils regarding raising inflation for the next financial year.**
- **Trial cash and card payments at toilets in Pwllheli before moving on to the other locations.**

HOMELESSNESS PREVENTION GRANT 2022/23

1.   Background

1.1   The Welsh Government allocated over £1.2m in grants to Gwynedd during 2022-23 as part of a homelessness prevention campaign, divided into the 'No one left out' element (£938k) to fund support such as temporary accommodation and support that cannot be funded through the Housing Support Grant, £208k for discretionary homelessness prevention support be used in a flexible way with the overall aim of preventing homelessness and supporting measures that reduce dependence on temporary accommodation, and £60k to fund a Strategic Coordinator position.

2.   Purpose and Scope of Audit

2.1   The purpose of the audit was to certify the audit certificate for 2022-23 by verifying the claimed costs, as well as ensuring that the Service complied with the conditions of the grant offer letter.

3.   Audit Level of Assurance

3.1   The controls for risk mitigation were examined. The auditor's assessment concludes that the level of assurance of the audit is as follows:

Assurance Level	Description
LIMITED	**Although controls are in place, compliance with the controls needs to be improved and / or introduce new controls to reduce the risks to which the service is exposed.**

4.   Current Risk Score

4.1   The audit's risks are as follows:

Risk Level	Number
VERY HIGH	0
HIGH	1
MEDIUM	0
LOW	0

5.   Main Findings

5.1   Assurance can be given that the entries on the Housing Support Grant audit certificate for the 2022-23 financial year are fairly stated. Based on the tests carried out, an audit trail was seen for the figures.

5.2   It was found that the grant instalments were not claimed until a year after the date as indicated in the payment profile of the grant offer letter. The grant offer letter states that the funding must be claimed in accordance with the dates set out in the indicative payment profile and the Welsh Government reserve the right to withdraw any part of the funding that is not claimed promptly. Staffing changes within the Service and the Finance department have contributed to the delays, but continuous communication has been maintained with a Welsh Government officer regarding the situation.

5.3   The discretionary element underspent £56k of their allocation during the year, suggesting that an opportunity to claim more costs was missed, but following the staffing changes, the grant has been fully claimed for 2023-24.

6.   <u>Actions</u>
The Service has committed to implementing the following to mitigate the risks highlighted.
- **Complete and submit the grant claims, along with the supporting documents, in a timely manner.**

HOUSING SUPPORT GRANT

1. Background

1.1 The Housing Support Grant is an early intervention grant programme, which helps prevent people from becoming homeless, stabilise their situation in terms of housing, or help individuals that could become homeless to find a home and retain it. It supports vulnerable people to address problems such as debts, employment, tenancy management, substance misuse, violence against women, domestic and sexual abuse, and mental health issues. Up to £6.8m was allocated to Gwynedd by the Welsh Government during 2023-24, and an additional £170k for projects transferring from the Homelessness Prevention Grant.

2. Purpose and Scope of Audit

2.1 The purpose of the audit was to certify the Housing Support Grant's audit certificate for the 2023-24 financial year, and the element transferring from the Homelessness Prevention Grant, by reviewing the costs claimed, as well as ensuring that the Service had complied with the conditions of the grant offer letter.

3. Audit Level of Assurance

3.1 The controls for risk mitigation were examined. The auditor's assessment concludes that the level of assurance of the audit is as follows:

Assurance Level	Description
LIMITED	**Although controls are in place, compliance with the controls needs to be improved and / or introduce new controls to reduce the risks to which the service is exposed.**

4. Current Score Risk

4.1 The audit's risks are as follows:

Risk Level	Number
VERY HIGH	0
HIGH	1
MEDIUM	0
LOW	0

4. Main Findings

5.1 Assurance can be given that the entries on the Housing Support Grant audit certificate for the 2023-24 financial year are fairly stated. Based on the tests carried out, an audit trail was seen for the figures.

5.2 The audit certificate requires the Internal Auditor to confirm that the expenditure is appropriate, and contributes towards achieving the objectives of the grant, in accordance with the requirements of the grant offer letter. As the grant is used to fund payments to various internal and external service providers, the Service has re-started monitoring visits to ensure the appropriateness of the service provided and the payments made, following a period of staffing shortages.

5.3 Following the establishment of the Housing Support Grant in April 2019, 'main programme' projects funded by the Homelessness Prevention Grant were transferred to the Housing Support Grant from 2022-23, and grant funding had been set aside for a transitional period of two years. This grant was to be claimed separately from the Housing Support Grant with its own separate audit certificate. Although the grant money was received for this element in 2022-23, the audit certificate for the period had not been presented, which is now over a year after the deadline stated in the grant offer letter. In addition, it was not possible to certify the 2023-24 audit certificate by the date specified in the grant offer letter as the quarterly grant claims had not been submitted to the Welsh Government. This will now happen in due course. The grant offer letter states that the funding needs to be claimed in accordance with the Welsh Government's timetable, and they reserve the right to withdraw the grant offer if the Council does not claim them promptly.

6. **Actions**
   The Service has committed to implementing the following to mitigate the risks highlighted.

   - **Complete and submit the grant claims, together with the Audit Certificates to the Welsh Government, for the projects transferring to the Housing Support Grant from the Homeless Prevention Grant.**

HOUSING WAITING REGISTER

1. Background

1.1 Cyngor Gwynedd, Adra, Grŵp Cynefin and North Wales Housing have established a partnership called the Gwynedd Common Housing Register Partnership. The Housing Options Team within Cyngor Gwynedd maintains the Housing Register on behalf of the Partnership and processes applications in accordance with the Common Housing Allocation Policy.

2. Purpose and Scope of Audit

2.1 The purpose of the audit was to ensure that the Housing Waiting Register is maintained appropriately and in accordance with the Common Housing Allocation Policy. To achieve this, the audit encompassed verifying a sample of applications on the register, ensuring that they have been processed appropriately in accordance with the Policy.

3. Audit Level of Assurance

3.1 The controls for risk mitigation were examined. The auditor's assessment concludes that the level of assurance of the audit is as follows:

Assurance Level	Description
SATISFACTORY	There are controls in place to achieve objectives but there are aspects where the arrangements can be tightened to further mitigate the risks.

4. Current Score Risk

4.1 The audit's risks are as follows:

Risk Level	Number
VERY HIGH	0
HIGH	0
MEDIUM	1
LOW	1

5. Main Findings

5.1 The Common Housing Allocation Policy states that it "*meets the requirements set out in Part 6 of the Housing Act 1996 (as amended by the Homelessness Act 2002 and the Housing (Wales) Act 2014), giving reasonable preference to those applicants in greatest need. Specifically, this policy is to be regarded as Cyngor Gwynedd's allocation scheme in accordance with section 167(1) of the Housing Act 1996. It also incorporates the key aims and objectives outlined in the Gwynedd Housing Strategy. The Policy reflects housing need by placing applicants in one of four priority bands*" (with those in the highest priority band further divided into those with a connection to Gwynedd, and those without).

5.2 Access was provided to the Open Housing system, and a report of the register was produced for selecting a sample of applicants. A new system will replace Open Housing in 2025. A sample of 10 (2 in each band) was selected, to verify that the forms were properly completed, and the necessary evidence was received. The evidence and supporting documents are kept on Sharepoint.

5.3 From the sample selected, the expected checks had been carried out and the appropriate evidence received. Further clarification was received from the Service if the circumstances of the application suggested that the allocated band might be different from expected. Since her appointment to the position in April 2022, the Team Leader Housing One Stop Shop has introduced an assessment checklist spreadsheet, with a second officer conducting an independent assessment to ensure appropriateness. The sample selected focused on this period. Although these checklists were not complete in all cases, further notes in the Open Housing system elaborated on the checks carried out.

5.4 One of the concerns highlighted is that at times it is not easy for the Service to verify applicants' claims of historical connections with Gwynedd, which affects their application's priority. The possibility of using information held by the Council, such as the Electoral Register and Council Tax, to assist with this was discussed. As the Council Tax privacy statement allows internal data sharing for other purposes such as fraud prevention and detection, the Housing Options Team now intends to use it for the purpose of validating applications.

5.5 The National Fraud Initiative is a biennial exercise that matches various internal data together, as well as data provided by external organisations to detect and prevent fraud. Housing Waiting Register data is submitted to the Initiative and is matched with benefits data, other authorities' waiting lists, and mortality data from the UK Government's Department for Work and Pensions. Matching data means that it is possible to identify applications with potential discrepancies that need further investigation. As the Council was on the cusp of a new exercise at the time of the audit, the Service is committed to investigate the data matching pairs the Initiative will present.

6. **Actions**
   The Team Leader Housing One Stop Shop has committed to implementing the following to mitigate the risks highlighted.
   - **Receive training and access to Council Tax data to validate information on application forms**
   - **Investigate the individuals highlighted by the National Fraud Initiative through data matching.**