

COMMITTEE	AUDIT COMMITTEE
DATE	29 SEPTEMBER 2016
TITLE	OUTPUT OF THE INTERNAL AUDIT SECTION
PURPOSE OF REPORT	TO OUTLINE THE WORK OF INTERNAL AUDIT FOR THE PERIOD TO 16 SEPTEMBER 2016
AUTHOR	LUNED FÔN JONES – AUDIT MANAGER
ACTION	TO RECEIVE THE REPORT, COMMENT ON THE CONTENTS AND SUPPORT THE ACTIONS THAT HAVE ALREADY BEEN AGREED WITH THE RELEVANT SERVICES

1. INTRODUCTION

1.1 The following report summarises the work of the Internal Audit Section for the period from 1 July 2016 to 16 September 2016.

2. WORK COMPLETED DURING THE PERIOD

2.1 The following work was completed in the period to 16 September 2016:

Description	Number
Reports on Audits from the Operational Plan	8
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 16 September 2016, indicating the relevant opinion category and a reference to the relevant appendix.

TITLE	DEPARTMENT	SERVICE	OPINION	APPENDIX
Information Management	Corporate	-	B	Appendix 1
Dwyfor Meirionnydd Special School	Education	-	B	Appendix 2
Budgetary Control – Ysgol Bro Plennydd	Education	Schools	B	Appendix 3
Budgetary Control – Ysgol Eifion Wyn	Education	Schools	B	Appendix 4
E-proc System – Tolerance Levels	Corporate Support	Procurement and Efficiency	A	Appendix 5
Debtors System – “Cancelled” Invoices	Finance	Income	A	Appendix 6
Holidays of Community Carers	Adults, Health and Wellbeing	Community Care	-	Appendix 7
Plas Gwilym, Penygroes	Adults, Health and Wellbeing	Residential and Day	C	Appendix 8

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 Follow-up Audits

2.3.1 The following table summarises the follow-up work completed during the period:

TITLE	DEPARTMENT	SERVICE	FOLLOW-UP OPINION
Plas Ffrancon Leisure Centre	Economy and Community	Leisure	Acceptable
Arfon Leisure Centre	Economy and Community	Leisure	Acceptable
Cefn Rodyn	Adults, Health and Wellbeing	Residential and Day	Acceptable

2.3.2 The conclusion of follow-up work is placed in one of four categories:

- Excellent** - all recommendations implemented as expected.
- Acceptable** - most recommendations implemented as expected.
- Unsatisfactory** - several recommendations not implemented.
- Unacceptable** - most recommendations not implemented, and no evidence of efforts to improve internal controls.

2.3.3 The list below shows the 'C' or 'CH' opinion category reports presented to the Audit Committee as appendices to the quarterly reports, where a report to the Committee regarding the follow-up remains outstanding. The list shows the target completion date for each of these follow-up audits:

Completion Target: Quarter ending 31 December 2016

- Secondary Schools Catering – Ysgol Ardudwy
- Secondary Schools Catering – Ysgol y Gader

Completion Target: Quarter ending 31 March 2017

- Plas y Don
- Plas Hedd
- Maintenance of Buildings and Sites

3. WORK IN PROGRESS

3.1 The following work was in progress as at 19 September 2016.

- Safeguarding Arrangements – Establishments (*Corporate*)
- Information Management – Establishments (*Corporate*)
- National Fraud Initiative (*Corporate*)
- Pupil Deprivation Grant (*Education*)
- Education Improvement Grant for Schools (*Education*)
- The Arrangements for Safeguarding and Protecting Children (*Education*)
- Budgetary Control – Ysgol Beddgelert (*Education*)
- Budgetary Control – Ysgol Talsarnau (*Education*)
- Budgetary Control – Ysgol Tregarth (*Education*)
- Budgetary Control – Ysgol Santes Helen (*Education*)
- Schools – General (*Education*)
- Review of Checking Limits (*Finance*)
- Discretionary Housing Payments (*Finance*)
- Benefits – Review of Key Controls (*Finance*)
- Storiol – Governance and Management Arrangements (*Economy and Community*)
- Bangor Aquatics and Healthy Lifestyles Centre (*Economy and Community*)
- Plas Silyn Leisure Centre (*Economy and Community*)
- Dwyfor Leisure Centre (*Economy and Community*)
- Bro Dysynni Leisure Centre (*Economy and Community*)
- Sale of Diesel (*Economy and Community*)
- Beaches – Unannounced Visits (*Economy and Community*)
- Business/Service Continuity Plans (*Adults, Health and Wellbeing*)
- Budgetary Control – Provider (*Adults, Health and Wellbeing*)
- Deprivation of Liberty (*Adults, Health and Wellbeing*)
- Social Services Complaints Procedures (*Adults, Health and Wellbeing*)
- Youth Justice Grant (*Children and Family Support*)
- Flying Start Grant (*Children and Family Support*)
- Adoption (*Children and Family Support*)
- MOT Fees (*Highways and Municipal*)

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 July 2016 to 16 September 2016, comment on the contents in accordance with members' wishes, and support the actions agreed with the relevant service managers.

INFORMATION MANAGEMENT CORPORATE

1. Background of the Audit

1.1 The Council makes extensive use of personal information in all its areas of work. As part of the Data Protection Act 1998, the Council is largely duty-bound to:

- Keep personal information secure
- Ensure that the information is used appropriately
- Ensure that individuals are aware of what organisations do with their personal information
- Ensure that the individual has consented, unless there are exceptional circumstances
- Ensure accuracy
- Enforce a set of principles for processing such information.

1.2 The Act places a responsibility upon the individual and the Authority. It is possible for an individual member of staff to be prosecuted for failing to conform with the Act. As part of their employment with Gwynedd Council, all staff members are expected to be familiar with their Data Protection responsibilities and to deal with personal information in a manner which complies with the Act.

2. Purpose and Scope of the Audit

2.1 The purpose of the audit was to check the effectiveness of the Information Management Service of raising awareness and promoting the Council's understanding and compliance with the Data Protection Act. This was undertaken by circulating a questionnaire to discover the Council's office workers' awareness, and to revisit offices where information management weaknesses had been found as part of previous audits.

2.2 As part of Internal Audit's regular visits to the Council's external establishments, Internal Audit undertake checks and discussions in relation to data protection. The findings of these visits will be the subject of a separate audit report.

3. Main Findings

3.1 Staff survey:

- Internal Audit received 677 full responses from 2123 workers invited, which is a response of 32%. This figure does not take into account the workers who were not at work during the audit's period, e.g. on long-term sickness or maternity leave, etc.
- According to the survey held, 563 (83%) of the Council staff are trained in data protection to an extent.
- Internal training is the main way that training is provided; however, IT methods, such as e-Learning, are also popular within departments where a vast number of workers are office workers.
- 31 (14%) of managers, senior-managers and other staff that supervise officers have not received data protection training.

- The highest rates of staff who are untrained in data protection work within the Highways and Municipal, YGC and Regulatory Departments, with workers from the Highways and Municipal Department displaying the least awareness of the Information Management Service.
- 18% of all responders were not aware of the Information Management Service.
- The majority of workers became aware of the Information Management Service by receiving corporate e-mails or by discovering information about them on the intranet. The workers who were unaware of the Information Management Service expressed that they would like to receive information via e-mail or through their line manager.

3.3 Visits to offices

- A number of officers follow a clear desk policy and protect confidential documents. Nevertheless, some weaknesses were seen.
- Drawers where the keys have been left in the locks cannot be considered to be a safe place to keep confidential documentation, as any security is removed by the ability to use the key to open the lock.
- Several red sacks have been seen open and not kept under lock and key.
- A number of confidential documents are being kept without being under lock and key in offices.

Audit Opinion

(B) The audit opinion is that partial assurance can be given of propriety in Council staff's awareness of Data Protection as the work of raising awareness and training in the area is effective; but there are areas where attention needs to be focussed and further intervention is required. Although training is provided, it does not appear that the message is filtering down properly and that the rules are not followed in each case.

**DWYFOR / MEIRIONNYDD SPECIAL SCHOOL
EDUCATION**

1. Background

1.1 A tender was issued in November 2014 for the purpose of selecting contractors to build a New Special School for the residents of Dwyfor and Meirionnydd. The new school is located in Penrhyndeudraeth.

2. Purpose and Scope of the Audit

2.1 The purpose of the audit was to ensure that the budgetary control and progress of the project of building Dwyfor/Meirionnydd Special School in Penrhyndeudraeth is sufficient and in-line with the Council's project management handbook. Ensure that there were appropriate procedures relating to the tendering process, and that payments made to the contractors of the project comply with the Procedure Rules and that the payments are accurately calculated with sufficient documentation to justify the payment.

3. Main Findings

3.1 The contract is worth £13.1M. It was found that robust arrangements had been established for project management but some issues were found in some areas as noted below:

3.1.1 It was seen that there were financial errors on one interim certificate audited in the sample. It was seen in relation to interim certificate number 6 that errors had been made on the supporting documents. When holding discussions with the Project Manager and Property Development Manager, both expressed that these matters did not concern them and that they were satisfied and confident in the views and the work of the Quantity Surveyor. They were of the opinion that no risk existed as any budgetary errors would have been rectified before the final certificate would have been issued.

3.1.2 It was seen that 4 out of 14 interim certificates audited had not been paid within the specified 14 days. However, the payments had only been made slightly late.

4. Audit Opinion

(B) The Audit opinion is that partial assurance can be expressed of the propriety in the project management arrangements of the Dwyfor/Meirionnydd Special School as there are controls in place, but there are aspects where some arrangements can be tightened. The Project Manager has committed to implement the following steps to alleviate the risks highlighted:

- An appropriate officer who is part of the scoring process to sign each scoring document for future projects.
- Every effort will be made to pay interim certificates within the specified timetable.

BUDGETARY MANAGEMENT - PRIMARY SCHOOLS
YSGOL BRO PLENYDD

1. Background

- 1.1 The school Governing Body is responsible for managing and running the school and delegated powers are given to Head Teachers to run the school on a day to day basis. The Headteacher's rights in terms of financial decisions vary from one school to the next as this has been determined by the Governing Body and recorded in 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.

2. Purpose and Scope of the Audit

To ensure that appropriate budget control arrangements exist at Gwynedd's primary schools. Schools from each area in Gwynedd were selected in the sample based on budget, namely two schools with a low budget (less than £200,000), two schools with a medium budget (between £200,000 and £350,000) and two schools with high budgets (over £350,000).

3. Main Findings

- 3.1 It appears that good budgetary control arrangements exist at Ysgol Bro Plenydd, although there has been an overspend during the 2014/15 and 2015/16 financial years. The overspend was as a result of necessary additional staffing costs in the 2014/15 financial year which were beyond the control of the school's Management Team. The school's Management Team received permission from the Senior Schools Manager to run the school on a deficit, in order to employ the additional staff, and the school committed to repay the overspend from the budgets of subsequent years. It was seen that the vast majority of the debt had been re-paid, with the school only overspending on 1% of their budget during the 2015/16 financial year. It was seen that issues relating to re-payment of the debt had been discussed in detail with the governing body with evidence that the expenditure was being monitored against the budget on a regular basis. However, some issues require attention as follows:
- 3.1.1 A copy of the Headteacher's spending powers policy, adopted back in 2011, was received. The Headteacher expressed that the policy needed to be reviewed.
- 3.1.2 The Headteacher has a system in place for maintaining an annual record of expenditure incurred on various goods and services. However, no arrangement exists to indicate whether or not the invoice relating to the expenditure has been received or authorised for payment. In the Headteacher's absence, it would not be possible to check whether or not the invoice has been received and sent to the Education Office in Pwllheli for processing.
- 3.1.3 The e-procurement system is not used in the school for the purposes of ordering goods and services. The Headteacher expressed that she would appreciate further training on the system. Following further enquiries, the auditor was informed that Cynnal would be providing training on the system during October 2016.

- 3.1.4 There was no system in place for stamping the date of receipt on invoices when they were received at the school. It is important to note the date the invoice is received at the school, because that date is the one that the Sims Assistants should record in the 'Pwynt Treth' (Tax Point) box on the T.R.252 coding slip.
- 3.1.5 It was seen that a good system existed for receipting the various income sources collected at the school. However, the Council's official receipts for receipting the music training income received were not used. As the music training money is paid into the Council's accounts, it is expected that an official Council receipt is issued. The auditor has now made arrangements for the Headteacher to receive a TR32a Council receipt book.
- 3.1.6 Upon auditing the minutes of the governing body, it appears that the body does not review the fees under its discretion on an annual basis in accordance with Estyn's standards and the financial rules for schools with devolved budgets.

4. Audit Opinion

(B) The Audit opinion is that partial assurance can be expressed of the propriety in the budgetary control of Ysgol Bro Plenydd as are there are controls in place, but there are aspects where some arrangements can be tightened. The establishment has committed to implement the following steps to mitigate the risks highlighted:

- The Headteacher will include an item on the need to review the Headteacher's Spending Powers Policy on the agenda of the next meeting of the governing body on 13/07/16.
- The Headteacher will keep a record of any orders, either in e-mail or paper record form and upon receipt of the invoices from now on, she will note on the order record that the invoice has been received and has been sent for processing.
- The Headteacher will attend training on the e-procurement system that will be conducted by Cynnal in October 2016.
- The Headteacher will date and sign each invoice, in order to confirm the date that the school has received the invoices.
- The Headteacher will ensure that the clerk will issue an official receipt from the TR32a receipt form for the music training income collected.
- The Headteacher will note on the agenda of the next governing body meeting on 13/07/16 that there is a need to discuss swimming bus fees also and that there is a need to discuss music training fees in May 2017.

BUDGETARY CONTROL - PRIMARY SCHOOLS
YSGOL EIFION WYN

1. Background

1.1 The school Governing Body is responsible for managing and running the school and delegated powers are given to the Head Teacher to run the school on a day to day basis. The Headteacher's rights in terms of financial decisions vary from one school to the next as this has been determined by the Governing Body and has been recorded in 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.

2. Purpose and Scope of the Audit

To ensure that appropriate budget management arrangements exist at Gwynedd's primary schools. A sample of schools from each area in Gwynedd were selected in the sample based on budget, namely two schools with a low budget (less than £200,000), two schools with a medium budget (between £200,000 and £350,000) and two schools with high budgets (over £350,000).

3. Main Findings

3.1 It appears that good budgetary control arrangements exist at Ysgol Eifion Wyn with budgetary matters being discussed in detail with the governing body and there is evidence that expenditure is monitored against the budget. However, some issues require attention as follows:

3.1.1 The Headteacher expressed that she would appreciate it if the monthly budgetary reports that the school received from the Finance Unit would be amended in future so that they were easier to follow and more user-friendly.

3.1.2 The second officer did not adequately supervise the banking arrangements.

3.1.3 The Secretary keeps spreadsheets that detail the income collected, e.g. music lessons, milk and swimming income. However, the spreadsheet for recording the income of music lessons did not record dates to confirm when the monies had been received. This means that there is an insufficient trail from the music lesson spreadsheet to the banking records. Totals columns had not been created on the income spreadsheets either. However, keeping such spreadsheets is very good practice and by making further minor adaptations to them, they will be of great benefit to the school to reconcile the income collected against the monies banked.

3.1.4 When auditing the minutes of the governing body, it appears that the body does not review the fees which are under its discretion on an annual basis in accordance with Estyn's standards and the financial rules for schools with devolved budgets.

3.1.5 The school is hired by a ballet company and it is understood that this arrangement is historical and that it has existed for some years. No current written contract exists between the school and the ballet company regarding this arrangement.

3.1.6 The login details of the former Headteacher are used to access the e-procurement system to create orders.

4. Audit Opinion

(B) The Audit opinion is that partial assurance can be expressed of the propriety in the budgetary control of Ysgol Eifion Wyn as there are controls in place, but there are aspects where some arrangements can be tightened. The establishment and / or Finance Unit is committed to implement the following steps to mitigate the risks highlighted:

- Senior Accountants to contact the Head in Charge to receive their observations regarding the budgetary reports. Consider whether the reports need to be changed.
- The Head in Charge to check the banking work and sign the 'Second Officer's Signature' box in the TR34 book 'Receipts and Banking' until the end of term and inform the Permanent Headteacher of the action that needs to be continued from September onwards.
- Adapt the spreadsheets kept in the school for recording the details of the income collected, such as income from music lessons, swimming and milk, in order to facilitate the work of reconciling the income received against the income banked.
- Inform the clerk of the Governing Body of the need to include an item for the body to review its discretionary fees on an annual basis, on the agenda for the body's next meeting in September.
- Create a current contract between the ballet company that hires the school, and the school, by using the TR184 'Building Hire' book.
- Contact Cynnal to change the details that the Secretary uses to login to the e-procurement system from the details of the former Headteacher to details of relevance to her.

E-PROCUREMENT SYSTEM - TOLERANCE LEVELS CORPORATE

1. Background

1.1 The Council's e-Procurement system is an online system that facilitates the procedure of ordering and processing invoices. The main features of the system and the new procedure is the ability for officers to browse online catalogues, raise and authorise orders electronically and receive electronic invoices directly. The eProcurement system is also associated with the DbArchive system, which retains images of orders and invoices.

2. Purpose and Scope of the Audit

2.1 The purpose of the audit was to undertake a review of the tolerance levels of the Council's eProcurement system to ensure that the procedure of authorising and re-authorising orders mitigates the risk of inappropriate payments to a level that equates to the nature of the order. This was done by ensuring that the system's authorisation system allowed workers to order goods by receiving authorisation, if any, from managers on an appropriate level and equal to the value of the order. In addition, a sample of managers were asked about their attitudes towards the system's authorisation thresholds by asking whether or not they would be satisfied to remove the need to authorise orders of a low value up to a specific amount.

3. Main Findings

3.1 If an officer needs to order goods through the eProcurement system, a manager with authorisation powers for the expenditure code in question must authorise the order. This ensures separation of duties, and draws the attention of the budget manager that expenditure is about to take place, and is also an opportunity for the manager to consider the propriety of the order.

3.2 It has to be considered whether or not this control ultimately adds value. It was seen from previous audits that authorising invoices does not necessarily mean that managers have checked invoices for propriety. In addition, there are compensating controls in place, such as regular expenditure reports, visual inspection of goods ordered, etc.

3.3 When requesting access to the system for the officer, it must be noted which expenditure codes the officer is able to use and the order value threshold. Managers associated with the expenditure code can then authorise any order made by the officer. This means that officers can choose between more than one manager for the authorisation of payments.

3.4 A sample of managers was selected from the eProcurement user list to obtain their views on the ordering process and the system's tolerance levels, including the increasing pressure deriving from the possibility of authorising single orders rather than bulk orders.

- 3.5 From the responses received, it was found that there was a range in the number of applications for authorisations received from the managers; however, they unanimously said that the task was not painstaking and that it did not disrupt their daily work.
- 3.6 The message in relation to allowing officers to order low value goods without authorisation was mixed. Some officers felt that a threshold of between £50-£100 could be established whereby no authorisation would be required. However, other managers felt that *"it was essential to keep a close eye on expenditure, regardless of how small the amount may be"* and that the *"system is working fine as it is"*.
- 3.7 Tolerance has been set within the system to allow officers to receipt goods valued at £50 above or lower than the value of the original order, without the need for a second authorisation from a manager. This takes into account the difference in price between the order and the actual cost that can occur as a result of unexpected delivery and postage costs, VAT errors, etc. Should managers be of the opinion that allowing tolerance of up to £50 is insufficient, it can be changed within the system so that orders that change value do not need to be re-authorised, up to a level that corresponds to the manager's wishes.

4. Audit Opinion

- (A) The Audit opinion is that assurance can be given of propriety in the arrangements for establishing tolerance levels within the eProcurement system as thresholds can be set in accordance with managers' wishes on the rights of individuals within their service after weighing up what is deemed acceptable.**

DEBTORS SYSTEM – “CANCELLED” INVOICES FINANCE

1. Background

1.1 North and Mid Wales Trunk Road Agency is responsible for maintaining the trunk road network on behalf of the Welsh Government in 8 Local Authority Areas, namely Ceredigion, Conwy, Denbighshire, Flintshire, Gwynedd, Anglesey, Powys and Wrexham. The Agency is based on a partnership of the 8 Authorities, with Gwynedd acting as Lead Authority. As Lead Authority, it is expected that the Agency's procedures, including the administration and write-off of debtor invoices, follow the Council's Financial Procedure Rules, in line with the partnership's agreement. However, as a Welsh Government Agent, debt administration arrangements have already been established, and the Council does not play a prominent role in the recovery process.

2. Purpose and Scope of the Audit

2.1 The purpose of the audit was to provide assurance to the Council, as Lead Authority, that appropriate arrangements are in place in the process of administrating the invoices due to the Agency, by investigating the procedure established by the Welsh Government and reviewing a sample of invoices.

3. Main Findings

- 3.1 When the Agency undertakes repairs on the network following damage by a third party, they would raise an invoice on the individual or insurance company, through the Council, for all costs as well as an additional 8% to reflect the Agency's administration fee.
- 3.2 If no payment is received, two reminder letters are sent, in line with the Council's usual procedure. However, the Agency, and not the Council, is responsible for securing the payment, and Welsh Government has provided instruction for them to refer any invoices, where no settlement has been made by the Third Party within a specific timetable, to the Welsh Government for further action.
- 3.3 Of course, it was seen that the insurance companies were very reluctant to pay without holding intensive investigations, and this could lead to a substantial delay before invoices are settled. It was often seen that insurance companies attempt to negotiate the fees payable, and refuse paying the full fees.
- 3.4 In order to facilitate the procedure of settling invoices, the Agency is holding quarterly meetings with a Welsh Government officer to discuss invoices where there is dispute.
- 3.5 A sample of invoices and documentation of relevance to the cases was checked. It was seen that once the settlement had been agreed, either the invoice is paid in full, or the Agency advises the Council's Income Unit to raise a credit note for the difference, and deal with the original invoice as one that has been settled.

3.6 In terms of the accounts, invoices payable to the Agency stand as a debt on the Council's balance sheet. Although this skews the figures, they are cancelled out by a corresponding credit amount. However, it appears that income collection performance measures are skewed by the invoices payable to the Trunk Road Agency. The prompt settling of debtor invoices relating to the Trunk Road Agency is out of the Council's control; therefore, it is expected for these to be disregarded in the Council's figures.

4. Audit Opinion

(A) The Audit opinion is that assurance of propriety can be expressed can be expressed in the Trunk Road Agency's debtor administration as it is possible to depend on the internal controls which are in place by the Welsh Government, which have been followed.

HOLIDAYS OF COMMUNITY CARERS ADULTS, HEALTH AND WELL-BEING

1. Background

- 1.1. The Council employs Community Carers to provide care to the vulnerable adults of Gwynedd in their homes and support them to live as independently as possible. The weekly hours of Carers on part-time contracts varies from one member to another; however, due to the nature of the work and the lack of availability of Carers in various parts of the county, the actual hours they work vary and very often exceeds the contracted hours and progresses to overtime hours.
- 1.2. Due to the variation in the hours, complexities arise when calculating leave entitlement. As Council staff members, they are entitled to the same number of leave days as other Council staff; however, they are on an hourly basis. When a Carer works more than the contracted hours, the leave entitlement will also increase and this is currently calculated and added to a holiday card by administrative staff. As the average working hours of Carers are increasing, the number of holiday hours that are needed to take a day's leave will also increase, which causes complexities on holiday cards as well as discontent amongst staff who could be under the impression that working additional hours is of no benefit to them.
- 1.3. The Service accepts that the arrangements are complex; however a request was made for Internal Audit to provide assurance that they are calculating the leave entitlement correctly. In the near future, electronic administration arrangements will be introduced in the Service, which will make a number of calculations automatically on the administrative staff's behalf; however, confirmation will be needed that the arrangements and formulas that are being in-putted into the system are correct so that the Carers can trust that the system makes the calculations correctly.

2. Purpose and Scope of the Audit

- 2.1. The purpose of the audit was to provide assurance on the arrangements for calculating the leave of Community Carers following a request from the Service for an independent investigation of the arrangements. This was done by reviewing the arrangements and materials being used to administer the procedure, namely time-sheets, holiday cards, and other relevant documents that support the calculating arrangements. Also, the calculations of the proposed arrangement of using the CACI software along with mobile devices was checked.

3. Main Findings

- 3.1. **It was identified that the Community Carer leave entitlement was being calculated correctly and that the formula used by the CACI system was correct. However, it was seen that a number of things need to be considered when progressing to use the proposed arrangements:**

- Following a period of working additional hours, the leave entitlement of Carers increases. In addition, the number of hours within a working day, on average, also increases, and therefore, there will be a need to deduct more leave hours from the Carers as they take a day's leave. However, the allocation of the number of leave days the Carers are eligible for remains consistent.
- As a result of the above, it is only the Carer's pay for the day's leave that changes, as the average hours has increased. Although it appears that the carers are at a loss due to the number of additional hours taken for a day's leave, they do receive full pay for those hours.
- The procedure is more complicated if the workers decide to take half a day's leave, e.g. working five hours in the morning and off in the afternoon. In these instances, the difference between the standard day; i.e. 7 hours and 24 minutes, and the hours worked are paid as holiday pay. However, as the leave is calculated in hours and not in days, this will ensure that no individual will be at a financial loss.
- Calculating bank holidays jointly with annual leave is possible and will remove a step from the arrangement; however, there will be a need for consistency when adding additional days for working more than the contracted hours.
- It would be beneficial to emphasise the transparency of the arrangements to all staff, i.e. office staff as well as the carers and possibly consideration should be given to re-visit this in the area meetings in order to mitigate any concerns.
- It must be ensured that workers have comprehensive understanding of the CACI calculations, and which 13 weeks are used to calculate leave, and also challenge the propriety of this (from the current understanding that weeks where there have been absences are ignored, when a worker could have worked much more during this week, thus with a greater leave entitlement).

**PLAS GWILYM RESIDENTIAL HOME, PENYGROES
ADULTS, HEALTH AND WELL-BEING**

1. Background

1.1 Plas Gwilym Residential Home is located in the village of Penygroes. The home has been registered to provide care for 27 people, 2 of them being short-term beds. A total of 25 residents were registered at the home on the day of the visit. The home also offers day care to non-residents who wish to use the service.

2. Purpose and Scope of the Audit

2.1 The purpose of the audit was to ensure that the financial arrangements of Plas Gwilym residential home are appropriate and in accordance with relevant regulations and standards. The audit encompassed checking that the home's arrangements were sufficient in terms of administration and staffing, procurement of goods and receiving income, health and safety, and monitoring performance along with ensuring that the service users and their property are safeguarded.

3. Main Findings

3.1 There is a homely and friendly feel to the home. However, we were informed that staff absence levels proved difficult at times. This affects the Home's Manager in the completion of administrative duties, as ensuring the required number of staff for each shift is necessary in order to ensure the best provision in terms of caring for the residents. It is considered that some of the points raised within this report arise as a result of a lack of capacity to complete administrative tasks due to staffing problems.

3.2 The home's Statement of Purpose was not entirely up to date; however, we were informed that it was already the subject of a review when the audit was being undertaken.

3.3 It was not possible to provide assurance that the staff had received current training in various areas, as the home's records were not up to date and they did not correspond to the staff's files.

3.4 The staff do not receive formal supervision every two months, which is an expectation set in the Care Homes (Wales) Regulations and the National Minimum Standards.

3.5 Each room in the home has an inventory list; however, they are not signed or dated.

3.6 The cabinet where the home's keys are kept does not lock.

3.7 There is an arrangement in place of keeping a running balance for the residents' pocket money. However, minor recording and calculating errors were found.

3.8 The frequency of the drills noted in the fire log book are not in line with expectation. In addition, the latest version of the Fire Management Plan was not available. Nevertheless, the Plan has been reviewed relatively recently.

3.9 It was seen that the service users' risk assessments are not reviewed on a monthly basis. This is an expectation that has been set by the Home's Manager.

- 3.10 From the sample checked, it was seen that 1 member of staff had worked at the home before the DBS disclosure had been issued; however, the Manager provided assurance that the working practices of that individual were supervised.
- 3.11 Not all members of staff who provided medication had signed to express that they had read and understood the Medication Policy. It was also seen that there was an inconsistency between the information submitted on the record of the temperature of the medication room and the fridge temperature and what is noted in the Medication Policy.

4. Audit Opinion

(C) The Audit opinion is that the propriety in the administration of Plas Gwilym Residential Home cannot be stated with certainty as the current situation weakens the controls. The service is committed to implement the following steps to alleviate the risks highlighted:

- Continue with the work of reviewing the Statement of Purpose.
- Obtain additional administrative assistance in order to complete the task of updating the home's training records.
- Draw up an annual list for holding formal supervision, and deputise the responsibility to the Deputy Manager as the need arises.
- Staff members who are responsible for the home's inventory list to date and sign it.
- Consider the options for keeping the home's keys under lock and key, and make a decision on the best option in terms of efficiency and associated costs.
- Ensure that the responsibility of conducting the tests noted in the fire log book are deputised to a specific member of staff on occasions where the usual member of staff is not on duty.
- Ensure that the service users' risk assessments are reviewed on a monthly basis, or sooner should there be a change in the individuals' situation.
- Ensure that all members of staff who provide medication sign to express that they have read and understood the Medication Policy.