



Complete Agenda

Democratic Services
Swyddfa'r Cyngor
CAERNARFON
Gwynedd
LL55 1SH

Meeting

AUDIT AND GOVERNANCE COMMITTEE

Date and Time

10.00 am, THURSDAY, 30TH NOVEMBER, 2017

Location

Siambr Hywel Dda, Council Offices, Caernarfon, Gwynedd, LL55 1SH

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(DISTRIBUTED 22/11/17)

AUDIT AND GOVERNANCE COMMITTEE

MEMBERSHIP (19)

Plaid Cymru (10)

Councillors

Alan Jones Evans
Charles Wyn Jones
Peter Read
Gethin Glyn Williams

Aled Ll. Evans
Huw Gruffydd Wyn Jones
Paul John Rowlinson

Aled Wyn Jones
Berwyn Parry Jones
Cemlyn Rees Williams

Independent (5)

Councillors

John Brynmor Hughes
Dewi Wyn Roberts
Angela Russell

Richard Medwyn Hughes
John Pughe Roberts

Llais Gwynedd (1)

Vacant Seat

Lib / Lab (1)

Councillor
Sion W. Jones

Gwynedd United Independents (1)

Vacant Seat

Lay Member

Mrs Sharon Warnes

Ex-officio Members

Chair and Vice-Chair of the Council

A G E N D A

1. APOLOGIES

To receive apologies for absence.

2. DECLARATION OF PERSONAL INTEREST

To receive any declaration of personal interest.

3. URGENT ITEMS

To note any items which are urgent business in the opinion of the Chairman so they may be considered.

4. MINUTES

5 - 11

The Chairman shall propose that the minutes of the meeting of this committee, held on 28 September 2017, be signed as a true record.

5. DEPRIVATION OF LIBERTY SAFEGUARDS (DOLS) ARRANGEMENTS

12 - 13

To submit the report of the Head of Adults, Health and Well-being.

6. REPORT OF THE CONTROLS IMPROVEMENT WORKING GROUP

14 - 22

To submit the report of the Chair of the Audit and Governance Committee outlining the feedback from the meeting of the Working Group on 23 October 2017.

7. INTERNAL AUDIT OUTPUT 16/9/17 - 17/11/17

23 - 52

To submit the report of the Audit Manager.

8. INTERNAL AUDIT PLAN 2017/18

53 - 59

To submit the report of the Audit Manager on the progress made on the 2017/18 Internal Audit Plan.

9. REVENUE BUDGET 2017/18 - SECOND QUARTER REVIEW

60 - 78

To submit the report of the Head of Finance.

10. CAPITAL PROGRAMME 2017/18 - SECOND QUARTER REVIEW

79 - 84

To submit the report of the Head of Finance.

11. RECOMMENDATIONS AND PROPOSALS FOR IMPROVEMENT OF EXTERNAL AUDIT REPORTS 85 - 108

To submit the report of the Head of Corporate Support.

12. REVIEW OF THE CONSTITUTION 109 - 118

To submit the report of the Monitoring Officer.

13. NON-DOMESTIC RATES - DISCRETIONARY RELIEF 119 - 128

To submit the report of the Senior Manager Revenues and Risk.

AUDIT AND GOVERNANCE COMMITTEE 28/9/17

Present: Councillor R. Medwyn Hughes (Chair)
Councillor John Brynmor Hughes (Vice-chair)

Councillors: Aled Ll. Evans, Aled Wyn Jones, Berwyn Parry Jones, Charles Wyn Jones, Huw G. Wyn Jones, Dewi Wyn Roberts, Paul Rowlinson, Angela Russell, Cemlyn Williams and Gethin Glyn Williams.

Lay Member: Sharon Warnes

Others invited: Peredur Jenkins (Cabinet Member for Finance)

Also in Attendance: Dafydd Edwards (Head of Finance Department), Dewi Morgan (Senior Revenue and Risk Manager), Ffion Madog Evans (Senior Finance Manager - for Item 5 on the agenda), Ian Howse (Financial Audit Engagement Leader, Deloitte - for Item 5 on the agenda), Caroline Lesley Roberts (Investment Manager - for Items 5 and 6 on the agenda), Luned Fôn Jones (Audit Manager) and Bethan Adams (Member Support Officer).

Apologies: Councillors Peter Read and John Pughe Roberts.

1. DECLARATION OF PERSONAL INTEREST

The Head of Finance Department referred to Item 10 on the agenda, 'Non-domestic Rates - Discretionary Relief'. He stated that a number of members had enquired about the need to declare personal interest in relation to this item. He explained that the item did not relate to commercial business tax, and that the report related to establishing a working group to review charitable relief in general and members would only be required to declare an interest if a discussion was to take place about a specific category of charitable bodies relating to them.

No declarations of personal interest were received from any members present.

2. MINUTES

The Chair signed the minutes of the previous meeting of this Committee, that took place on 13 July 2017, as a true record.

3. FINAL ACCOUNTS 2016/17

i) Statement of the Accounts

The Head of Finance Department submitted the revised statutory financial statements for approval by the committee. He stated that the reports by Deloitte on behalf of the Wales Audit Office noted the main changes to the accounts since the pre-audit version was submitted to the Committee's meeting on 13 July.

ii) Report of the Appointed Auditor on the Audit of Financial Statements

a) The Council's Accounts

In accordance with the Annual Audit procedure, namely the Appointed Auditor's report for those charged with governance, the report by Deloitte on behalf of the Auditor General for Wales was submitted by Ian Howse, Financial Audit Engagement Leader, Deloitte.

It was reported that the Auditor General intended to issue an unqualified audit report on Gwynedd Council's accounts for 2016/17.

The following main observations were made:

- There were no uncorrected misstatements to report;
- There was one misstatement that had been corrected to their satisfaction;
- No matters which required attention had been highlighted by the audit team in relation to the significant risks that were tested;
- The accounts team were praised for the quality of the accounts and thanked for their cooperation with the Deloitte audit team.

A member noted that he was pleased with the praise for the accounts team.

In response to an enquiry by a member regarding the provision of bad debt, the Head of Finance Department stated that the accounts gave a snapshot of the situation on the final day of accounts. He explained that there was less likelihood of collecting older debts and that the Council was using an increasingly higher percentage of "loss" for the previous years' debts. He noted that the officers agreed with the auditor's recommendation, namely - "... that the percentages used to generate the sundry debts provision are formally reviewed on an annual basis and that an analysis of collection rates is used to inform the percentages determined."

In response to a question by a member, the Financial Audit Engagement Leader for Deloitte stated that the level of bad debt provision by the Council was fairly consistent with other councils.

b) Gwynedd Pension Fund Accounts

The Deloitte Financial Audit Engagement Leader noted that the Auditor General intended to issue an unqualified audit opinion on the accounts of the Gwynedd Pension Fund for 2016/17.

The following main observations were noted:

- In relation to the misstatements that were not corrected, the auditors' examinations found that there was a judgmental misstatement on properties and private equity investments. As this was a matter of opinion, they were satisfied that it would remain uncorrected;
- No new recommendations stemmed from the financial audit work for 2016/17 and details of the follow-up work on the 2015/16 recommendations were to be found in Appendix 3 of the report.

The Chair noted that he was pleased that the Council was in a good position and was fulfilling the requirements.

The Cabinet Member for Finance stated his appreciation of the Deloitte auditing team's work. He added that he was pleased that the Auditor General intended to issue unqualified audit reports that reflected the good work produced by the officers in preparing the accounts. He expressed his appreciation of the work.

RESOLVED that the Audit Committee, with the power delegated by the Council to be "those charged with governance" in relation to approving the statutory financial statements and the relevant audits, approve the amended statutory financial statements, accept the related reports by Deloitte on behalf of the Auditor General for Wales, and authorise the Head of Finance Department and Chairman of the

Committee to sign the "letters of representation" relating to the Council's accounts and the Pension Fund accounts and submit them to the Auditor General for Wales.

4. 2017/18 TREASURY MANAGEMENT – MID YEAR REVIEW

The background and context of the report on the current year's treasury management activity was set out by the Investment Manager.

The Head of Finance Department confirmed that no bank with which the Council had invested was in danger and that the Council's money was safe. He highlighted that investments could vary and that the Council weighed up the flexibility of short term investment with long term investments that attract a higher rate of interest.

In response to a question from a member about the £2.2m reduction in loans since 31 March 2017, the Investment Manager stated that the reduction was due to the Council having repaid historic loans and using cash flow, rather than borrowing, in accordance with the Council's current policy of not borrowing more money.

The Head of Finance Department stated that a briefing meeting would be held on 24 January 2018 by Arlingclose, the Council's Treasury Management Consultants, for Committee members. He stated that it would be a golden opportunity to discuss and explain the Council's Treasury Management Strategy for 2018/19.

In response to an enquiry by a member about the shift in internal short term loans and short term financing from £3m to £1m since 31 March 2018, the Head of Finance Department stated that the Council was hopeful that short term financing could take place internally. He explained that the Chief Executive and Cabinet Member for Finance would present the Assets Strategy to the Committee, the Cabinet and the Full Council. It would be an Assets Management Strategy that would identify future borrowing needs. He stated that the shift showed that some short term loans had come to an end.

A member enquired as to who was responsible for setting the rates of the Public Work Loans Board (PWLB). In response, the Head of Finance Department noted that PWLB came under the Westminster Government but was a separate agency. He added that the Treasury was considering stricter rules since councils in England had become commercialised and were borrowing to the detriment of the country, but that this power had not been devolved to Welsh councils.

In response to a question by a member in relation to the Council's levels of borrowing, the Head of Finance Department highlighted the debt restrictions and explained that he was authorised to invest up to £180m during 2017/18, i.e. the operational margin, with an authoritative margin of £190m which required the Committee's approval. He explained that the Council was borrowing £109m and was currently self-borrowing £51m, and that the choice of when to borrow was a strategic one. He noted that the amount the Council needed to borrow depended on the Assets Strategy.

In response to an enquiry by a member about PFI (*Private Finance Initiative*), the Head of Finance Department stated that he did not encourage PFIs for a number of reasons, and that costs would be incurred if a decision was made to revoke them. One historical project had been funded in this way in Gwynedd.

RESOLVED to accept the report for information.

5. REPORT OF THE CONTROLS IMPROVEMENT WORKING GROUP

Submitted – the report of the Chair of the Committee on a meeting of the above-mentioned working group held on 11 September 2017 to consider the 'Social Services Complaints Procedures' audit that had received a category B rating along with audits that received a category C rating, namely -

- a) Deprivation of Liberty Safeguards (DoLS)
- b) Support Workers (Adults).

Officers had been invited to attend the meeting to discuss the matters that had arisen from the audits and the work undertaken to reinforce the internal regulations in question since the audit reports had been published.

Members of the Working Group expressed their concern about the financial risk to the Council because of the backlog of DoLS assessments and that the cost of not carrying out DoLS assessments could be as much as £1000 per individual per week.

A member asked whether Social Services had to complete DoLS assessments or could other bodies complete them. In response, the Audit Manager stated that Social Services were responsible for completing DoLS assessments; only in cases where the individual was in hospital could the Health Service carry out assessments. She added that the Council held training sessions for private care homes which had led to an increase in the number of referrals for DoLS assessments.

A member of the Working Group stated that the meeting had been an eye opener as regards the work with assessments taking place outside the County when a Gwynedd resident needed a DoLS assessment, leading to an increase in the time taken to complete the assessment because of a need to travel.

In response to a question by a member about the Adults, Health and Well-being Department's capacity to complete DoLS assessments, the Audit Manager stated that two posts had recently been filled and that an agreement was in place for 25 Social Workers who have a *Best Interest Assessors (BIA)* accreditation to complete one assessment per month. She added that not many Social Workers completed one assessment a month.

The Head of Finance Department stated that this was a high risk field and that the Working Group, in accordance with the content of the report, should receive an update from the relevant Senior Managers within six months. Sufficient notice should also be given to the Head of Adults, Health and Well Being Department that the performance against targets given to *BIA* accredited Social Workers had been discussed and that consideration should be given to requesting the attendance of the Head of Department.

A member stated that the Head of Department and Cabinet Member for Adults, Health and Well-being should come before the Committee on 30 November 2017, with the Working Group receiving an update by the relevant Senior Managers within six months.

RESOLVED:

- (i) to accept the report;**
- (ii) to invite the Head of Adults, Health and Well-being and the Cabinet Member for Adults, Health and Well-being to the meeting of the Committee on 30 November 2017 to discuss DoLS arrangements;**
- (iii) that the Controls Improvements Working Group receive an update from the relevant Senior Managers within six months on the DoLS arrangements.**

6. INTERNAL AUDIT OUTPUT 1/7/16 - 16/9/16

Submitted - the report of the Audit Manager outlining the Internal Audit section's work for the period. It was noted that 10 reports on audits from the action plan had been completed.

Reference was made to the follow-up work. It was highlighted that during 2016/17 agreement was reached on 205 action steps to be completed by 31 March 2018. It was noted that acceptable action had been taken on 26.83 of the agreed steps. It was reported that, to date, a request for the progress on the actions of 104 agreed steps had been sent and that 86 had been acceptably actioned, i.e. 82.5%. It was explained that follow-up arrangements were in place if a response was not forthcoming on the actioning of the agreed steps.

Each individual report was considered and, during the discussion, reference was made to the following matters –

Training New Members

In response to a member's observation, the Audit Manager noted that an inclusive programme had been created for new members with an opportunity for members to contact the Learning and Development Service to request additional training.

A member noted, as the Chair of Democratic Services, that he had attended a meeting with the Chairs of Democratic Services Committees along with lead Officers in the field, which highlighted the Council as being one of the best providers of training for new members. He confirmed that there was opportunity for members to contact the Learning and Development service to request additional training and the Democratic Services Committee could consider promoting the opportunity.

Glan Wnion Leisure Centre

In response to a comment by a member regarding awareness of the Safeguarding Adults and Children procedures among staff, the Audit Manager stated, in accordance with a request by the Safeguarding Operation Group, that an audit would be conducted on field workers' awareness of safeguarding procedures. She explained that many staff members outside the main offices did not have an e-mail address or access to online learning modules and, therefore, received information from their manager and at area meetings. She stated that perhaps the best way to improve understanding of the safeguarding arrangements was to distribute pamphlets and hold conversations, and discuss examples.

Plas Maesincla

In response to a member's question as to why the audit had yielded a category C rating rather than B, since important issues were being highlighted, the Audit Manager stated that this was the auditor's opinion and that she supported it. The Head of Finance Department added that the auditor's opinion needed to be accepted and respected and that the Committee, should they so wish, could consider the audit at the Controls Improvement Working Group or address the audit after the follow-up work had been completed.

A member noted that the issues mentioned in this audit arose consistently in audits for residential homes and that the same problems were being highlighted.

A member mentioned that a number of issues were being highlighted around training and that workers training needs should form part of their annual review. In response, the Audit Manager noted that it was the Residential Homes Managers' responsibility to ensure that staff had received the necessary training and that the Area Manager also had a responsibility to ensure that residential homes complied with requirements.

A member referred to the action step 'Ensure that an evacuation exercise is carried out annually', noting that the evacuation exercise should be held as soon as possible and take

place every year thereafter. In response, the Audit Manager stated that following an audit a timetable for implementation was set and that there was a requirement to hold an evacuation exercise by 1 December 2017 and take place annually thereafter.

A member stated that audits were positive and that follow up work was vital in ensuring that the agreed action steps were carried out.

In response to a member's question about thematic reports, the Audit Manager stated that the Internal Audit Unit had, in the past, carried out audits based on themes but full residential home audits were now carried out in three year cycles. She added that it was necessary to consider the best use of the unit's resources but that she could highlight these to the department if desired. She emphasised that it was the responsibility of the Registered Manager of the Residential Home to take action.

A member highlighted that the audit of Plas Hafan Residential Home had received a category A rating, showing good management and maintenance arrangements, and that these should be shared as good practice to other care homes.

A discussion was held on the arrangements for dealing with audits that received a category C rating, along with the themes that often cropped up in Residential Home audits.

RESOLVED:

- (i) to accept the report on the work of the Internal Audit for the period from 1 July 2017 to 15 September 2017 and to support the agreed actions that had already been submitted to the managers of the relevant services;**
- (ii) that the Chairman and Vice-chairman of the committee, along with Councillors Dewi Wyn Roberts, Angela Russell and Cemlyn Williams along with Sharon Warnes serve on the Working Group to consider the audits that have received a category 'C' rating;**
- (iii) that the Cabinet Member for Adults, Health and Well-being and the Head of the Adults, Health and Well-being department attend the Working Group to consider the themes that are often highlighted in Residential Homes' audits, and invite the relevant officers to the meeting;**
- (iv) that it was the responsibility of any member unable to attend the Working Group to arrange a substitute.**

7. INTERNAL AUDIT PLAN 2017/18

The report of the Audit Manager was submitted, providing an update on the current situation in terms of completing the 2017/18 internal audit plan.

It was reported that the Internal Audit Unit up to 15 June 2017 had completed 18.75% of the plan, and that 12 of the 64 audits in the 2017/18 plan had been released in a finalised version and that the percentage was expected to rise to 26.5% by 30 September 2017. Attention was drawn to amendments to the Plan.

In response to an enquiry by a member about the Unit's staffing capacity, the Audit Manager stated that the Unit had full capacity.

RESOLVED to accept and note the contents of the report as an update of progress against the 2017/18 audit plan.

8. NON-DOMESTIC RATES - DISCRETIONARY RELIEF

The Senior Revenue and Risk Manager presented the report, stating that Section 47 of the Local Government Finance Act 1988 included a selective provision for billing authorities to

amend non-domestic rates (other than in specific cases such as local authority property), in addition to mandatory relief permitted through Section 43. He stated the Council had to consider every application for this type of relief on its own merit, but the policy framework had been set up to provide objective guidance when considering whether to allow discretionary relief where the tax payer was not a charity or a Community Amateur Sports Club (CASC), or in order to increase the relief that was available to a charity / CASC from the mandatory 80% up to 100%.

He stated that the Council's Policy for providing Discretionary Relief for payers of Non-domestic Rates had been established for some years, and had received minor amendments. He, therefore, explained that the time was right for the Council to hold a comprehensive audit of the Discretionary Relief Policy, not only in order to ensure it remained relevant in light of legislative changes, but also to consider whether the relief the Council permitted was being targeted to the right places and whether it was affordable in light of the constant need to find savings.

He stated that the Committee is requested to consider setting up a Working Group to investigate the Council's Policy on allowing discretionary relief, and offer guidance in forming the new policy.

In response to a question from a member about the timetable, the Senior Revenue and Risk Manager stated that he anticipated holding two or three meetings of the Working Group. He explained that it would be the Cabinet that would adopt the new policy, and the aim was to submit the amended policy to Cabinet at its 12 December 2017 meeting.

RESOLVED:

- (i) To establish a working group to investigate the Council's Policy on allowing discretionary relief;**
- (ii) That the Chair and Vice-chair of the committee, along with Councillors Aled Wyn Jones, Huw G. Wyn Jones, Dewi Wyn Roberts and Angela Russell would serve on the Working Group.**

The meeting commenced at 10:05am and concluded at 12:15pm

CHAIR

Agenda Item 5

MEETING	THE AUDIT AND GOVERNANCE COMMITTEE
DATE	30 NOVEMBER 2017
TITLE	DEPRIVATION OF LIBERTY SAFEGUARDS ARRANGEMENTS (DOLS)
AUTHOR	ALED DAVIES, HEAD OF ADULTS, HEALTH AND WELL-BEING DEPARTMENT

- 1) At the meeting of the Controls Improvement Working Group held on 11 September 2017, matters arising from the investigation made to the Council's arrangements in terms of Deprivation of Liberty Safeguards (DoLS) were discussed. Whilst noting that considerable effort has already been made, the Working Group expressed its eagerness to strengthen internal arrangements and control and in doing so, to improve the Council's ability to respond to statutory requirements and reduce legal and financial risks for the Authority.
- 2) The purpose of this report is not to raise the matters discussed at the Working Group again, which appear in the minutes, but rather, to offer a further explanation on the Adults, Health and Well-being Department's wider commitment to respond to the recommendations.
- 3) Although the Department has assigned existing resources and has made use of new resources through the bidding process for creating the capacity to deal with DoLS matters, the Working Group has noted that the Department's wider contribution to deal with the workload of assessing and reviewing DoLS cases is essential to the programme. In September, the Working Group was not convinced that this element was being implemented effectively.
- 4) The Adults, Health and Well-being Department acknowledge that the arrangements for this element were not confirmed in September, but it can be confirmed that, since then, steps have been taken to improve the situation. The priority given to the changes in the Older People Service to working arrangements in five areas has contributed towards the Department's slow progress in putting robust arrangements in place.
- 5) On 25 October, a discussion was held with the service managers regarding the role of the Best Interest Assessor (BIA) officers and, consequently, the following arrangements have been implemented:
 - Every BIA officer is released one day a month to undertake an assessment.

- The area leaders will remind each BIA officer of this expectation and will support them through the Department's monthly professional supervision arrangements.
 - Arrangements have been put in place to support the BIA officer who needed a confidence boost in terms of completing assessments.
 - Clear expectations have been set in terms of the roles of area leaders and lead practitioners to ensure that the DoLS programme is implemented effectively and in a timely manner as an integral part of the area teams' work.
- 6) 29 members of the Department's staff are qualified as BIA officers. However, long-term sickness, part-time work contracts, maternity leave and appointments to other posts mean that there are approximately 20 officers who are available to fulfil this work. However, the Department acknowledges that this contribution is key to DoLS work and every effort will be made to facilitate and support it.
 - 7) It is also appropriate to draw attention to the possible impact of prioritising this work over other elements of the Department's day to day work.
 - 8) Committing BIA officers to one assessment a month could impact the area teams' ability to respond effectively and in a timely manner to the demand for services within these areas and, possibly, influence somewhat the timetable of integrating services with health. This risk might be greater in these areas where it is difficult to recruit qualified care staff. It is only possible to quantify this risk by implementing the new arrangements, mainly by keeping an eye on whether there is any increase in our waiting lists for services in the areas.
 - 9) In addition, the nature of the work means that workers cannot carry out a BIA assessment on cases they are familiar with. As a result, they will have to complete assessments on cases outside their usual work area. Usually, an assessment takes 8 to 10 hours and the need to travel and become familiar with cases would increase the hourly input.
 - 10) The Adults, Health and Well-being Department can offer assurance to the Committee that these changes will be implemented and that the situation in terms of undertaking DoLS reviews and the possible impact on wider services will be monitored.
 - 11) With these arrangements in place and the majority of appointments within the Safeguarding and Quality Assurance Unit already made, it is intended to report on the progress made to the Control Working Group within six months.

Agenda Item 6

COMMITTEE	AUDIT AND GOVERNANCE COMMITTEE
DATE	30 NOVEMBER 2017
TITLE	REPORT OF THE CONTROLS IMPROVEMENT WORKING GROUP
PURPOSE OF THE REPORT	TO REPORT ON THE MEETING HELD ON 23 OCTOBER 2017
AUTHOR	COUNCILLOR JOHN BRYNMOR HUGHES
ACTION	TO ACCEPT THE REPORT AND CONSIDER THE RECOMMENDATIONS

1. INTRODUCTION

1.1 A meeting of the Working Group was held on 23 October 2017 with the Vice –chair of the Audit and Governance Committee, Councillor John Brynmor Hughes, Councillors Angela Russell, Cemlyn Rees Williams and Dewi Wyn Roberts, Luned Fôn Jones, Audit Manager and Manon Beatson, Senior Auditor present.

1.2 The reports that the Working Group addressed were:

TITLE	DEPARTMENT	AUDIT OPINION
Tan y Marian	Adults, Health and Wellbeing	C
Plas Maesincla	Adults, Health and Wellbeing	B
Plas Ogwen	Adults, Health and Wellbeing	C
Care Homes – General	Adults, Health and Wellbeing	n/a

2.3 Officers attended to discuss the individual reports and the following were present throughout the meeting:

- Gareth Roberts - Cabinet Member for Adults, Health and Wellbeing
- Aled Davies – Head of Adults, Health and Wellbeing Department
- Amanda Roberts – Plas Ogwen Manager

2.4 Tan y Marian

2.4.1 The main findings of the audit were as follows:

A report, dated 30 January 2017, was published by the CSSIW (Care and Social Services Inspectorate Wales), which noted: "Overall, we found that people receive a good service at Tan y Marian where they have positive relationships with the staff and are cared for in a warm, relaxed manner." Although the scope of the internal audit overlapped the CSSIW inspection, audit tests were not reduced and we took advantage of the opportunity to verify the actions against the recommendations proposed by the CSSIW. The main findings that arose from the audit can be seen below:

The 'Statement of Purpose' has been included in the Home's 'Service User's Guide'. The statement was verified to ensure that the contents coincided with Appendix 1 of the Care Homes (Wales) Regulations 2002. The content was found to be appropriate, but some information was not included, such as details about room sizes - although it is accepted that this is not completely practical and that the opening paragraph (Aims and Objectives) refers to the 'elderly'.

A sample of residents' Care Plans were verified and found to be very comprehensive. However, it was found that the periodic reports (namely the daily, monthly, 3 monthly and 6 monthly notes) were not up-to-date.

There are no contracts in place between the Council and the residents who have been in residence at the home for a long time.

The CSSIW report stated that the frequency of supervision sessions appeared to be inconsistent, and suggested that care workers should receive formal supervision at least once every two months and staff appraisals every twelve months. Whilst verifying the supervision records of a sample of workers, it was found that they were not conducted every two months, but that there were steps in place to address this.

An example of a mistake on one worker's holiday card was seen, where the holiday total had been incorrectly calculated following a holiday application. The mistake had not been corrected although two later occasions were recorded on the card. The mistake meant that the worker had an additional 10 hours of holidays.

Following a discussion with the Manager and the clerk, it was found that it would be beneficial if these officers had read-only access to the ledger. This will mean that the home would have access to their budget and details of expenditure without having to depend on the Finance Unit.

A sample of 13 invoices were selected, and it appears for five of them that order had been created following receipt of the invoice.

A sample of E11 forms were selected, namely 'Record of Residents' Finances' for three of the Residents. It was found that no witnesses had signed the E11 on several occasions, and there were no receipts to support all the expenditure. The arrangements of recording residents' finances is the subject of a separate audit in the 2017/18 Audit Plan and Internal Audit will re-visit Tan y Marian's arrangements in due course.

During the visit, it was found that the entrance door and the external door from the kitchen and staff room were held open on a hook. The risk of keeping doors open was discussed with the Manager, not only to restrict residents from leaving, but to restrict unauthorised individuals from entering. The Home believes that there is a need to move away from risk-averse systems and that the individual's rights overcame any acceptable risk. It was expressed that there had not been any cases of unauthorised access, neither of any missing residents.

The CSSIW's report (30 January 2017) states: "we saw a spray bottle containing disinfectant in the two bathrooms which was in easy reach of the residents. We brought this to the attention of the registered manager who said she would lock them away." On the day of the Internal Audit, the toilet chemical cleaning material was seen to be in easy reach of the residents in the toilets.

It was found that the temperature of the medication room records were inconsistent. The temperature had not been recorded for five of the 22 days in June up to Internal Audit's visit. It was seen at times that the room's temperature could ('generally') exceed the maximum of 25 degrees as is stated in the Policy.

- 2.4.2 Selwyn Lloyd Jones, Disability Serviced County Manager was welcomed to the meeting to discuss the audit findings in the absence of Bethan Davies, Tan y Marian Manager.
- 2.4.3 The Audit Manager provided a summary of the audit findings. The Audit Manager stated that contracts had not been established between the Council and the residents despite the fact that they have been residing at Tan y Marian for a number of years.
- 2.4.4 The Audit Manager explained that staff supervision arrangements were not acceptable and fail to meet the expected standards. In respect of residents' monies and the relevant records, it was explained that deficiencies had been found and that a specific audit was carried out on the records of residents' monies.
- 2.4.5 The Audit Manager expressed disappointment that chemicals had been found within reach of the residents on the day of the inspection, despite the fact that this was highlighted in a report on Tan y Marian published by the CSSIW in January 2017. Furthermore, she stated that temperature of the medication room did not comply with requirements which may pose a risk to the residents.
- 2.4.6 A Member expressed concern regarding the fact that the doors of the home were open and that the Tan y Marian Manager accepted this risk. The Disability Service County Manager referred to the "Alder" report that claimed that Gwynedd Council was risk averse and explained that the Council was trying to move away from closing doors in the homes as it does not provide residents with a homely atmosphere. The Audit Manager agreed with this comment and explained that without a DoLS award, the Council has no right to keep any person locked up. A Member proposed that a risk assessment should be compiled as it is not practicable to keep the door closed at all times. The Disability Service County Manager agreed to arrange for a risk assessment to be drawn up and sent to the attention of the Audit Manager. A Member suggested that consideration should be given to the creation of a policy but the general belief was that this would restrict some individuals as arrangements vary from home to home.

2.4.7 The agreed actions were discussed and it was found that positive steps had been taken since the release of the final report such as the ordering of a cabinet with a lock to keep chemicals. It was also explained that the Manager had established a supervisory program and that she intends to check a sample of care plans periodically to ensure their accuracy and that the Property Unit will be installing a fan in the medication room as there is no window in the room.

2.4.8 The Disability Service County Manager was thanked for attending the meeting and for explaining the operational steps taken to mitigate the risks identified during the audit.

2.5 Plas Maesincla

2.5.1 The main findings of the audit were as follows:

There is a homely and friendly feel to the home and good controls exist but the following aspects need to be tightened:

Not all Service User Plans are updated every month in accordance with the National Minimum Standards for Care Homes for Older People, which notes, "the service user's plan is reviewed by care staff in the home at least once a month". The Manager was aware of this, and was in the process of updating them following a busy period at the home.

A sample of the staff supervision records were verified and it was found that not everyone had received supervision within the last two months in accordance with the National Minimum Standards, "care staff receive formal supervision at least once in every two months". The Manager has been having difficulties supervising casual staff who only work a small number of days during the week.

Orders are not signed on every occasion.

Invoices are not dated and stamped as 'received', which makes it difficult to identify the tax point in order to complete the TR252 slip.

Up to £40 is being kept in a drawer without a lock in the office. There is a keypad on the office door but every staff member is aware of the code. This was discussed during the visit; the Manager and Clerk were happy with this arrangement and were aware of insurance requirements.

An evacuation exercise has not been conducted since February 2015.

A sample of the Home's generic risk assessments were verified and it was found that they had not been reviewed since February 2016.

Whilst verifying the Home's training spreadsheet, it was found that the Manual Handling and Safeguarding of Vulnerable Adults training of 8 members of staff was not up-to-date. It was explained that the Manual Handling Trainer had confirmed a number of training sessions for the near future. Places on the Safeguarding of Vulnerable Adults courses are scarce but the home had notified the Learning and Development Service about the staff members who needed training in this area.

There is a keypad on the door of the medication room, however, during the visit, it was discovered that the door was not tightly shut. The Manager was notified of this and the door was tightly shut immediately.

- 2.5.2 Susan Thomas, Plas Maesincla Manager and Gwen Hughes, Area Manager – North were welcomed to the meeting.
- 2.5.3 The Audit Manager explained that despite the fact that the report had received a category "B" opinion, it was the decision of the Audit and Governance Committee at its meeting held on 28 September 2017 to discuss the report at the Controls Improvement Working Group.
- 2.5.4 The Audit Manager outlined the main findings of the audits which included:
- Failure to update residents' care plans
 - Lack of supervision
 - Evacuation drills have not been carried out since 2015
 - Generic risk assessments not reviewed
 - Training out-of-date
 - The door of the medication room not tightly closed
- 2.5.5 The Manager explained that Plas Maesincla is a care home for residents with dementia and that finding time to hold staff supervision and training sessions could be difficult and that this was a problem across the Service. She explained that training sessions filled up quickly or that following organising the training, the member of staff could be off work on sick leave or required to be at the home due to staff shortages.
- 2.5.6 The Head of Adults, Health and Wellbeing Department stated that supervision could take place in many ways and that it isn't always carried out formally, e.g. experienced staff share advice with new staff and that it may be a weakness that these informal supervision sessions are not recorded. The Manager stated that staff had to be removed from the house to carry out supervision which is impractical in times of staff shortage. The Area Manager – North stated that the Manager had put in place arrangements whereby the Assistant Manager and Senior Care Assistant assist with the formal supervision of staff.
- 2.5.7 A Member enquired who was responsible for conducting the training sessions and why more of them could not be held. The Area Manager – North responded that they were working with the Learning and Development Service to develop e-learning modules so that training can be done in the workplace or on a mobile device which will reduce the need to release staff for the day.
- 2.5.8 It was asked what progress had been made since the final report was released. Confirmation was received from the Manager and Area Manager – North that all agreed actions had been properly addressed and that the evacuation exercise has now been carried out.

2.5.9 The Plas Maesincla Manager and the Area Manager – North were thanked for providing the Working Group on the developments since the release of the final report and the arrangements in place.

2.6 Plas Ogwen

2.6.1 The main findings of the audit were:

There is a homely and friendly feel to the home and good controls exist but the following aspects need to be tightened:

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.

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. It was confirmed that it was difficult to find time to supervise night and casual staff.

Invoices are not dated and stamped as 'received' on all occasions. This makes it difficult to identify the tax point required in order to complete the TR252 slip. A stamp was bought for the kitchen following the publication of the draft report, in order to date the invoices received.

The TR34 forms were not checked and certified by a second officer.

Every member of the home's staff has access to the safe, this was discussed further with the Manager, and she was happy with the arrangement.

The Officer in Charge is responsible for the home's keys including the keys to the medication room. The keys are transferred to the next Officer in Charge at the end of every shift. There is an expectation that they keep the keys on their person throughout the shift. However, on the day of the visit, it was found that the keys had been kept in a drawer in the office as they are heavy to carry. Evidence was received following the publication of the draft report that the Manager had ordered aprons and chains in order to facilitate carrying the keys.

Following a resignation, a new Key Worker is needed for one of the residents, as a risk assessment had not been carried out for over six months, where they should be completed monthly. The Manager was already aware of this and was in the process of arranging to conduct a new assessment.

Risk assessments have not been sent with the HS11 forms (Accidents and Incidents Report) when reporting accidents. It was agreed that this would be done from now on.

Although there is an existing copy of the Safeguarding Children and Adults Policy and Guidelines available to staff, there is no evidence the workers have read them. Following the publication of the draft report, evidence was received by the Manager confirming that all members of staff except for one had by now read the Policy.

Whilst verifying the Home's training spreadsheet, it was found that several members of staff had not completed the 'Safeguarding Vulnerable Adults' training for several years, including one member of staff who had not completed the training since 2001. However, the Manager confirmed that training had been arranged for 9 members of staff within the next 4 months.

Medication competence tests have not been completed annually, and many have not been completed since 2013. Also, the record of who is permitted to administer medication is not up-to-date, as one member of staff no longer works for the home. Following the publication of the draft report, the Manager confirmed that the record of staff who are permitted to administer medication has been updated, but no evidence was received to support this.

Although a copy of the Medication Policy was available in the Medication room and in the office, evidence shows that only the Assistant Manager had read the policy since 2016. Following the publication of the draft report, evidence was received confirming that all members of staff had now read and understood the Policy.

A sample of 5 MAR's (Medication Administration Record) were checked and it was found that two members of staff had not signed to confirm receipt of medication in every case. Whilst verifying the arrangements for returning/disposing of medication, two instances were found where only one member of staff had signed the 'Destroyed or Returned Medication' form where two signatures are required. The Assistant Manager was notified of these shortcomings during the visit, she was aware of the Policy's requirements. The Manager confirmed that she had conducted a supervision session with these members of staff following the publication of the draft report to remind them of the importance of two different members of staff signing the form when receiving and disposing of medication, no evidence was received to support this.

Work has commenced to meet the requirements of "The Quality Dashboard" following a poor Audit of the home's Site Management. A negative report was also received recently following an audit of the home's menus; the Manager confirmed that these would be the subject of a review in the near future.

2.6.2 Amanda Roberts, Plas Ogwen Manager was welcomed to the meeting.

2.6.3 The Audit Manager stated that the same themes appear repeatedly in residential homes, but due the weaknesses in respect of the administration of medication, Plas Ogwen received a category "C" opinion. The Audit Manager outlined that the main findings included:

- Lack of supervision
- All staff with access to the safe
- One resident without a key worker
- Failure to send risk assessments with accident reporting forms (HS11)
- Out-of –date training
- Staff not receiving medication competence tests annually
- Medication administration records out dated
- MAR sheets not signed as required.

2.6.4 The Manager explained that Plas Ogwen is a residential home but that some of the residents have dementia or similar conditions.

- 2.6.5 It was explained to the Manager that the greatest concern was regarding the arrangements with medication. The Manager explained that they had now acted on the agreed actions and that appropriate arrangements were in progress. She also stated that Plas Ogwen faces the same problems as Plas Maesincla in terms of staff training and hoped that the e-learning modules will be of assistance.
- 2.6.6 A Member stated that the report identifies problems that can be resolved instantly as they were not intense.
- 2.6.7 Members queried why the same problems arise repeatedly and whether the officers considered this to be acceptable. The Head of Adults, Health and Wellbeing stated that it takes time to establish arrangements and that they were trying to streamline arrangements, and if a concern or problem rises more than once, then specific cases will need to be reviewed.
- 2.6.8 The Plas Ogwen Manager was thanked for attending the meeting and update the Working Group of the steps taken following the release of the final report.**

2.7 Residential Homes – General

- 2.7.1 In its meeting held on 28 September 2017, the Audit and Governance Committee resolved “that the Cabinet Member for Adults, Health and Well-being and the Head of the Adults, Health and Well-being department attend the Working Group to consider the themes that are often highlighted in Residential Homes' audits, and invite the relevant officers to the meeting.”
- 2.7.2 The Chair of the Audit and Governance Committee, Councillor Richard Medwyn Hughes joined the meeting for this item and Catherine Ellis, Area Manager – South was welcomed to the meeting.
- 2.7.3 The Audit Manager presented a document highlighting the risks identified in the Council's residential homes over the past three years. The Audit Manager explained that the audit programme has been revised since April 2016 so that there was a greater emphasis on the care component rather than administrative arrangements.
- 2.7.4 It was generally seen that there were weaknesses with medication. It was explained to the Working Group that medication training had been carried out by a pharmacist but that he has since retired and that the Learning and Development Service had arranged that other pharmacists visit the homes to conduct this essential training.
- 2.7.5 The Area Managers explained that the Care Home Managers usually have a rota detailing when supervision sessions will be held but matters arise on the day which results in a failure to carry out formal supervision. The main factors that can affect the arrangements are sickness, which means that the member of staff is required on the house floor. The Area Manager stated that problems exist with releasing staff to attend training.

- 2.7.6 An observation was made by a Member that Plas Hafan had received an "A" opinion category and it was asked if there were lessons that could be learned from Plas Hafan's home to improve the performance of other homes. The Area Manager - North stated that much was dependent on the Manager and the commitment of the team. The Area Manager explained that sickness absence was lower at Plas Hafan compared to other homes which meant that supervision and training sessions could be held.
- 2.7.7 The Area Managers expressed that the risks identified were administrative rather than lack of care. The Audit Manager responded that a lack of proper arrangements in relation to the administration of medication is a high risk and any failure could be disastrous.
- 2.7.8 It was explained to the Working Group that staffing levels at the homes remained the same although the needs of residents has intensified. It was explained that grant funding had been received and that they had bought special beds that would release staff time. However, it was expressed that this will not solve the problem altogether. It was explained that the Private Sector also compete for the same staff that are already scarce and that not as many have been applying for jobs recently. In addition, all residential home staff will be required to register with the CSSIW which can lead to a further reduction in staffing levels.
- 2.7.9 The Head of Adults, Health and Wellbeing Department stated that 7 out of 11 of Gwynedd Council's homes have received comments or recommendations from the CSSIW in terms of their staffing levels. 2 out of the 7 are a lack of conformance. It is expected that 10 out of the 11 will receive comments in respect of their staffing levels – the only exception is Plas Maesincla.
- 2.7.10 The Working Group's proposal was that the Cabinet Member for Adults, Health and Wellbeing and the Head of Adults, Health and Wellbeing Department would report back to the Working Group following a review of the care homes' staffing levels. A discussion was held on the training of new staff, and the Audit Manager stated that the Department could take advantage of the Apprenticeship Schemes offered by the Llandrillo Menai Group.
- 2.7.11 The Cabinet Member for Adults, Health and Wellbeing, the Head of Adults, Health and Wellbeing and the officers were thanked for attending the meeting and for the open discussion and plans for improvement.

COMMITTEE	AUDIT AND GOVERNANCE COMMITTEE
DATE	30 NOVEMBER 2017
TITLE	OUTPUT OF THE INTERNAL AUDIT SECTION
PURPOSE OF REPORT	TO OUTLINE THE WORK OF INTERNAL AUDIT FOR THE PERIOD TO 17 NOVEMBER 2017
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 16 September 2017 to 17 November 2017.

2. WORK COMPLETED DURING THE PERIOD

- 2.1 The following work was completed in the period to 17 November 2017:

Description	Number
Reports on Audits from the Operational Plan	15
Grant Audits	1

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

2.2 Audit Reports

2.2.1 The following table shows the audits completed in the period to 17 November 2017, indicating the relevant opinion category and a reference to the relevant appendix.

TITLE	DEPARTMENT	SERVICE	OPINION	APPENDIX
Disposal of Confidential Waste – The Use of Red Sacks and Shredders	Corporate	-	C	Appendix 1
Self-service Travelling Expenses	Corporate	-	B	Appendix 2
Proactive Prevention of Fraud and Corruption – Recording Residents’ Monies	Corporate	-	B	Appendix 3
School Uniform Grant	Education	Resources	B	Appendix 4
Pupil Deprivation grant	Education	Resources	A	Appendix 5
Education Improvement Grant for Schools	Education	Resources	A	Appendix 6
Health and Safety – Ysgol Bro Lleu	Education	Resources	B	Appendix 7
Health and Safety – Ysgol Pentreuchaf	Education	Resources	B	Appendix 8
Health and Safety – Ysgol Abercaseg	Education	Resources	B	Appendix 9
Health and Safety – Ysgol Dyffryn Ardudwy	Education	Resources	C	Appendix 10
Health and Safety – Ysgol O M Edwards	Education	Resources	B	Appendix 11
Health and Safety – Ysgol Llanystumdwy	Education	Resources	B	Appendix 12
Storiell – Unannounced Visit	Economy and Community	Record Offices, Museums and the Arts	B	Appendix 13

TITLE	DEPARTMENT	SERVICE	OPINION	APPENDIX
Bro Ffestiniog Swimming Pool	Economy and Community	Leisure	B	Appendix 14
Garden Waste Collection	Highways and Municipal	Waste Management and Streets	B	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 Supporting People Grant (Part 2)

2.3.1 Gwynedd Council received over £ 5 million in grant from the Welsh Government during 2016- 17 as part of the Supporting People Plan. The plan commission and finances over 25 providers to offer assistance to vulnerable individuals to maintain their tenancies and avoid homelessness, with the aim of enabling individuals to live independently by providing housing related support services. There are two elements relevant to the audit of the grant, the completion of the audit certificate in respect of outcomes for the period April 2016 until December 2016 which was due before 31 May 2017, and the audit certificate on the 2016-17 expenditure which is to be completed before 30 September 2017. The audit on the outcomes was completed in accordance with the terms and conditions and work on part 2 has since been completed and the audit certificate on expenditure submitted was sent within the timescale.

3. FOLLOW-UP WORK

3.1 New arrangements have been established for follow-up audits. In 2016/17, a total of 205 actions were agreed to be undertaken before 31 March 2018. Now, rather than carrying out a follow-up on only “C” opinion reports, all agreed actions will be addressed by requesting the unit/service/establishment to provide evidence to prove implementation. On 17 November 2017, there was acceptable implementation on **46.34%** of the agreed actions, i.e. 95 out of the 205. To date, an update has only been requested for 112 of the agreed actions of which 95 are acceptable, a percentage of **84.8%**.

4. WORK IN PROGRESS

4.1 The following work was in progress as at 18 November 2017.

- Learning and Development Integrated System (*Corporate*)
- Obtaining References, Proof of Identity and Evidence of Qualifications (*Corporate*)
- Safeguarding Arrangements – Field Workers’ Awareness of Policy (*Corporate*)
- Safeguarding Arrangements - Establishments (*Corporate*)
- Information Management - Establishments (*Corporate*)
- National Fraud Initiative (*Corporate*)
- Awareness of the Whistleblowing Policy – Primary and Secondary (*Education*)
- Schools - General (*Education*)
- Smallholdings (*Environment*)
- School Schemes – Ysgol Glancegin (*Environment*)
- Concessionary Fares (*Environment*)
- Car Park Income (*Environment*)
- Debt Recovery Arrangements (*Finance*)
- Benefits – Review of Key Controls (*Finance*)
- Victoria Dock (*Economy and Community*)
- Families First Grant (*Children and Family Support*)
- Childcare Proposal Grant (*Children and Family Support*)
- Depots (*Highways and Municipal*)
- Recycling Targets (*Highways and Municipal*)
- Housing Waiting List (*Housing*)
- Employment Status (*YGC*)

5. RECOMMENDATION

5.1 The Committee is requested to accept this report on the work of the Internal Audit Section in the period from 16 September 2017 to 17 November 2017, comment on the contents in accordance with members’ wishes, and support the actions agreed with the relevant service managers.

DISPOSAL OF CONFIDENTIAL WASTE – THE USE OF RED SACKS AND SHREDDERS CORPORATE

1. Background

1.1 Historically, Gwynedd Council has used the Antur Waunfawr red sacks service to dispose of confidential waste. During 2016, the Information Management Team circulated a message to staff explaining the intention to change the confidential waste disposal arrangements, reducing the use of red sacks and increasing the use of shredders. The Confidential Waste Disposal Policy has been updated to explain that:

- Shredders should be used for day to day confidential waste production, rather than red sacks
- Red sacks should only be used for bulk disposal of information e.g office relocation, annual disposal

1.2 Using a shredder means that any confidential waste is destroyed immediately. Previous inspections identified that some offices keep semi-full red sacks open and not locked away, as well as examples where full red sacks are sealed but not disposed of, occasionally for unacceptably long periods of time.

2. Purpose and Scope of Audit

2.1 The purpose of the audit was to ensure compliance with elements of the Data Protection Act 1998 (and the General Data Protection Regulation that will take effect in 2018). The audit was investigating whether the Council's use of red sacks has reduced to mitigate the risk of unauthorized individuals accessing confidential information, deriving from documents being stored in an open sack that isn't locked away. This was done by reviewing the ledger for red sack costs as well as conducting a visual inspection of offices for open red sacks.

3. Main Findings

3.1 The relevant expenditure code on the financial ledger was checked for payments made to Antur Waunfawr. However, there was no way to distinguish between red sack services and Antur Waunfawr's other services, but overall expenditure seems to have increased steadily. This supports findings by the Information Unit, which believes that the use of red sacks has gradually increased due to recent office relocations. Although there is an increase in the use of red sacks, their use for office relocations is in line with the Council's policy.

3.2 A visual inspection of offices in Pencadlys and Plas Llanwnda was carried out to identify open red sacks that are not locked away. This inspection was carried out in the evening to identify where the sacks are kept overnight. In the vast majority of offices visited, arrangements were appropriate, but examples were found where red sacks were kept open and not locked away. It seems that some offices do not adhere to the Confidential Waste Disposal Policy. By disposing of confidential day-to-day waste in open red sacks rather than shredding it, the Council unnecessarily retains information, in an obvious red bag which clearly states that it contains confidential waste. It should be noted that the public does not have access to any of these premises.

4. Audit Opinion

(C) Certainty of propriety cannot be expressed regarding the confidential waste disposal arrangements using red sacks, as the controls in place cannot be relied upon, but losses/fraud due to these weaknesses were not discovered. The Information Unit is committed to implementing the following steps to mitigate the risks highlighted:

- Present the findings of this report to the Senior Information Risk Owner Group to produce a work program to reduce the risk highlighted.

SELF-SERVICE TRAVELLING EXPENSES ADMINISTRATION CORPORATE

1. Background

1.1 The Council has recently adopted a new procedure where employees with an IT account can claim travel and subsistence costs through a self-service system. As part of this procedure, travel details are submitted online and does not require authorisation by a manager in order for the payment to be processed, but managers do have the ability to refuse claims if they consider it inappropriate or incorrect. The purpose of the new procedure is to reduce the administrative burden related to the previous paper based procedure that required authorisation by the line manager, certification by the budget holder and then inputted by administrative officers into a system to produce the payment.

2. Purpose and Scope of Audit

2.1 The purpose of the audit was to ensure that an efficient and effective process is in place for claiming travel costs through the self-service system, which reduces the administrative burden and mitigates risk of loss by mistake or fraud to appropriate levels. The audit included discovering the frequency of checks conducted by managers and what exception reports were produced, threshold levels within the parameters of the system, together with checking a sample of travel claims submitted.

3. Main Findings

3.1 The process of submitting claims through self-service reduces the administrative work significantly. The responsibility of conducting checks on the claims remain with the managers, so the risk of costly mistakes or fraud depends on how thoroughly the managers check the claims. In this sense, the procedure has not changed compared to paper based travel claims, but the new procedure is dependent on the management's commitment to log in to the self-service system on a monthly basis to carry out the checks. It should be noted that past audits have found that the previous system which included numerous checks by managers failed to prevent some inappropriate claims from being processed. The correct balance needs to be achieved in order to have an efficient and effective system, and points to be considered are discussed below.

3.1.1 The management structure of the self-service system is linked to 'system swyddi'. That is, officers' claims can only be checked by the designated line manager in 'system swyddi'. However, it has been found that 'system swyddi' is not up to date in all cases and therefore managers are unable to review their staff's claims in some cases.

3.1.2 It was found that parameters are set within the self-service system to prevent officers claiming more than the maximum allowance per heading, such as breakfast, supper, hotel etc. The rules in relation to claiming the above appear when completing the claim e.g. dinner is "payable if home after 8:30 pm. You cannot claim for tea and supper". However, the system cannot prevent officers from claiming costs against the wrong headings to maximise the allowance and it is dependent on the managers to check this.

- 3.1.3 The IT Service provides a list to the Support Service of managers who have not checked travel claims, with the intention of the Support Service to contact 10% of these managers to ask why they do not carry out the checks. It was found that the common answers are that the managers express that they have faith and confidence that their employees act correctly. The system generates emails for managers who have not visited the Self Service system to check travel claims, reminding them to check their staff's travel claims in the system before the release date. In addition, a reminder appears in the system.
- 3.1.4 A report was received from the IT Service listing all the claims made in quarters 1 and 2 2017/18. The largest claims were discussed with the Support Service and mistakes were found where a claim was made for 600 miles for a 60-mile journey and another 360 mile claim for a 36 mile journey. The overpayment of 540 miles was found by the officer who made the claim after receiving the payment but the overpayment of 324 miles was not found until this Audit. It therefore shows that obvious errors can fall through the net if managers do not carry out checks.
- 3.1.5 Overall, the details within the 'Purpose and location of the journey' look sufficient for a manager to be able to make a decision if a claim should be refused or not. This is because the manager would know the work of the officer and understand the circumstances of the trip. However, there have been examples of relatively large claims for traveling to 'Meeting', 'Ymweliad', 'Site Survey' that does not help external officers who may want to use the system to identify driving patterns e.g. The Council's exercise to evaluate costs for pool cars arrangements, or if the Support Service or Internal Audit need to verify the accuracy of claims.

4. Audit Opinion

(B) Partial assurance can be expressed on the propriety of the Council's self-service travel claim arrangements as there are controls in place, but there are aspects where some arrangements could be tightened. The Support Service has committed to implement the following steps to mitigate the risks highlighted:

- Reiterate the need to provide sufficient details of each trip so that officers who are unfamiliar with the service can identify the journey made by the officer.

**RECORD OF TAN Y MARIAN RESIDENTS' MONIES
(ANTI FRAUD AND ANTI CORRUPTION WORK)**

1. Background

- 1.1 Tan y Marian Home, Pwllheli provides care for up to nine young adults with learning disabilities. Following a recent special audit on a similar home where it was discovered that there is no assurance of financial propriety in the administration arrangements of the residents' monies, an application was received from the Head of Adults, Health and Well-being Department to carry out an audit of the administration arrangements of Tan y Marian residents' personal monies.

2. Purpose and Scope of Audit

- 2.1 The purpose of the audit was to ensure that the management and administration arrangements of residents' personal finances were appropriate. This was done by checking personal expenditure and income records from 2014 up to the present, together with checking receipts or evidence to support the transactions.
- 2.2 A programmed Audit was carried out at Tan y Marian home, dated August 2017, as part of the Internal Audit plan for 2017/18. This audit included the management and administration of residents' personal monies, but only on a sample basis.

3. Main Findings

- 3.1 Residents' E11 forms (Record of Resident's Money) were received for the period specified below.

Resident	Period
CM	04/11/2015 – 20/02/2017
EDJ	07/07/2015 – 28/03/2017
ML	n/a
AVJ	22/02/2015 – 05/08/2017
LR	28/11/2014 – 10/08/2017
AR	11/10/2014 – 10/08/2017
CR	17/11/2014 – 10/08/2017
SC	02/10/2014 – 08/08/2017
ER	23/08/2014 – 10/08/2017

- 4.1 During the Tan y Marian programmed Audit, a random sample of some of the residents' E11 forms were selected on the day of the visit. One of these residents was CM (along with EDJ and ML). When examining the accounts on the day, no receipts were present for a variety of expenditure during the period, in addition to the fact that there were no E11 forms for the period between 13/02/16 and 17/06/16. However, following further discussions as part of this Audit, E11 forms were received for this period, as well as the large number of receipts that were not included in the original batch. As a result, there were only minor payments and 'Money to Y Gwystl' transactions that had no corresponding receipts.

- 4.2 There were no receipts for other residents in some cases, however these were mainly minor payments, such as visits to 'Y Gwystl' and food purchases such as 'Take Away'. However, there were some instances where there were no receipts for significant expenditure. For example, there were no sufficient receipts for one significant purchase of 'clothing' by EDJ for £307.75 (receipts for a value of £66.65 were found). In addition, among the transactions without receipts was a purchase of 'Bedding' worth £43.80 for the resident SC.
- 4.3 The resident, ML has the ability to look after her own personal money. Unlike the other residents, she keeps her own purse, rather than storing it in a cabinet in the Manager's office. As a result, the Home is not expected to keep receipts and a robust record of her spending.

4. Audit Opinion

- (B) Partial assurance of financial propriety can be expressed in the administration of Tan y Marian residents' personal monies as controls are in place, but there are aspects where the arrangements can be tightened.**

The Service is now implementing new arrangements and the most recent evidence from the sample shows a more complete record of expenditure and that controls have tightened.

SCHOOL UNIFORM GRANT EDUCATION

1. Background

- 1.1 In a letter dated 25 May 2016 "Award of Funding in relation to Welsh Government School Uniform Grant Scheme" it states that "Audit reports are due on a three year cycle...The next audit report is due on 30 September 2017 covering the grant for the years 2014/15, 2015/16 and 2016/17."

2. Purpose and Scope of Audit

- 2.1 The purpose of the audit was to ensure that the grant claims were consistent with the Government's conditions and that they were properly implemented. A sample of grant payments made over the three years was selected and the parents'/guardians' eligibility for the payments were verified. It was also ensured that the claim forms were completed correctly and submitted in accordance with the payments profile.

3. Main Findings

- 3.1 Checking the benefits system confirmed that all individuals who had received a school uniform grant allowance were eligible to receive it and it was deemed that there was appropriate evidence to support the application, e.g. evidence of receiving employment and support allowance, income support etc. The Council's website contained sufficient information regarding the School Uniform Grant provision.
- 3.2 The application letters were returned within the set timetable and signed by the appropriate officers.
- 3.3 There was evidence to confirm that the actual claims had been submitted in accordance with the timetable set by the Welsh Government. However, during the audit it was discovered that the Council had over-claimed £420.00 over the three years. This is defined as a notification event Schedule 2 "we have made an overpayment of Funding to you". The Senior Accountant contacted an officer from the Welsh Government's Education Governance and Business Planning department to notify them of this overpayment. Instruction was given to modify the application for 2017/18 to reflect the overpayments. The overpayments occurred due to repayments to parents / guardians not being considered when preparing the claim.

4. Audit Opinion

- (B) Partial assurance of propriety can be expressed in the administration of the School Uniform Grant as controls are in place, but there are aspects where arrangements could be tightened. The Service is committed to implement the following to mitigate the risk highlighted:**

- Ensure any repayments are considered when applications are submitted.

PUPIL DEPRIVATION GRANT EDUCATION

1. Background

- 1.1 The purpose of the Pupil Deprivation Grant (PDG) is to improve outcomes for learners eligible for free school meals and Looked After Children. It is intended to overcome the additional barriers that prevent learners from disadvantaged backgrounds from achieving their full potential.
- 1.2 The entire grant is delegated to the schools/early years settings except in the case of the 'Looked After Children' element which is managed regionally by the Local Education Consortium, GwE. GwE is also responsible for ensuring that schools meet the requirements of the PDG and supporting them to that end. Gwynedd Council is the Lead Authority on the PDG on behalf of the North Wales Authorities.

2. Purpose and Scope of Audit

- 2.1 The purpose of the audit was to confirm the accuracy of the 'Chief Finance Officer's Certificate', a statement of the Authority's expenditure for the 2016/17 grant, and confirmation that internal systems and controls were in place to ensure that the grant was used for the appropriate purposes.
- 2.2 This was done by selecting a sample of payments made by Gwynedd Council and GwE in the form of invoices, journals and wages regarding the different elements of the grant, ensuring that they were reasonable and consistent with the objectives of the grant. In addition, it was confirmed that the grant was directly delegated to the schools and that there were appropriate arrangements for monitoring the grant and claiming the funding from the Welsh Government.

3. Main Findings

- 3.1 Appropriate arrangements in place for the administration of the PDG were observed. Expenditure was reconciled against the ledger and a sample of costs were traced back to their sources. The sample of expenditure examined for the Early Years Unit, the Education Department and GwE were seen as reasonable and consistent with the objectives of the grant. Additionally, there were appropriate arrangements for claiming the funding in accordance with the terms and conditions of the grant and the appropriate amount of funding had been allocated to the Authorities and delegated directly to Gwynedd Schools. However, there were aspects where some arrangements can be tightened.
 - 3.2.1 Section 1 of the grant offer letter dated 23/05/16 expresses that the Welsh Government has requested further details and further clarification of some aspects of the grant application to assist the Welsh Government monitor the expenditure against the support plan. In addition, the Welsh Government states:
“As we have not received any proposals on how the EYPDG is to be used, we will withhold that portion of the grant until we are satisfied that proper support plans are in place.”
A revised plan was received in addition to an email dated 04/10/2016 stating that
“The additional information now meets the grant terms and conditions”.

- 3.2.2 Schedule 1 (The Purposes) of the grant offer letter dated 23/05/16 states:
“8. You will ensure transparency of the schools’, Foundation Phase providers and PRUs use of the PDG by confirming that every school will make accessible to parents and the wider community, details of their PDG allocation, how they have used the grant, the grant spend and its impact by publishing these online. Where schools, Foundation Phase providers and PRUs do not have a dedicated website you will facilitate the min making the information available via their local authority or consortium website or as part of their school information published in hard copy.”
A sample of 12 Schools was selected to verify that their PDG allocation details can be found on their website or on GwE’s website, as indicated above. Examples were seen at the time of the audit where the information was not available on the School website, nor on GwE’s website (Ysgol Tryfan, y Gorlan, Ein Harglwyddes). However, this information is now available on the website.
- 3.2.3 The application for the first grant payment was not signed until 21/07/2016 despite Schedule 3 (Payments Profile) in the offer letter indicates that the deadline for the claim was 15/07/2016

4. Audit Opinion

- (A) An assurance of financial propriety in the administration of the Pupil Deprivation Grant can be expressed as controls are in place. The details on the Audit Certificate can be declared correct.**

**EDUCATION IMPROVEMENT GRANT FOR SCHOOLS
EDUCATION**

1. Background

1.1 On 1 April 2015, the Welsh Government merged the following grants to create one main grant, called the Education Improvement Grant (EIG):

- Foundation Phase
- 14-19 Learning Pathways
- School Effectiveness Grant (SEG)
- Welsh in Education Grant (WEG)
- Minority Ethnic Achievement Grant
- Education of Gypsy and Traveller Children
- Induction of Newly Qualified Teachers
- Higher Level Teaching Assistants
- Lead and Emerging Schools
- Support for Reading and Numeracy Tests
- Funding for Band 4 & 5 Schools

1.2 The grant's fundamental principle is that the vast majority should be used for frontline provision, with the grant's terms and conditions for 2016-17 noting that it was expected that a minimum of the total gross funding of 80% should be delegated directly to schools. Gwynedd Council is the host Authority for the EIG, and GwE is responsible for ensuring that the schools achieve the requirements of the EIG and for supporting the schools to that end.

2. Purpose and Scope of Audit

2.1 Ensure that there are appropriate internal controls for administering the 2016-17 Education Improvement Grant, to mitigate risks in accordance with the terms and conditions of the grant.

2.2 Confirm that there is a basis for the figures submitted on Gwynedd Council and GwE expenditure statements in relation to the grant and trace the figures to the ledger to confirm their accuracy and propriety.

3. Main Findings

3.1 It was seen that there is a sound basis for the figures recorded on the Gwynedd Council and GwE expenditure statements in relation to the grant and a sample of the figures were traced back to the Council's ledger and were found to be correct.

4. Audit Opinion

(A) An assurance of propriety can be stated in the administration of the Education Improvement Grant for Schools 2016-17, as it is possible to depend on the internal controls that are in place and that these have been followed.

HEALTH AND SAFETY – PRIMARY SCHOOLS YSGOL BRO LLEU

1. Background

- 1.1 Every school within the authority has a duty to comply with the Health and Safety at Work Act 1974. Schools have a specific duty to prepare a written health and safety policy.
- 1.2 In Gwynedd Council, the duties for the management of health and safety, fire risks, asbestos and legionnaires disease are set out in the Corporate Health, Safety & Welfare Policy 2015, Fire Safety Policy & Fire Management Plan, Asbestos Management Plan and Legionella Management Plan with some key duties placed on site managers.

2. Purpose and Scope of Audit

- 2.1 The purpose of the audit was to ensure that Gwynedd Primary Schools were aware of their duties in accordance with the Council's Fire, Asbestos and Legionella Plan, and that site managers undertake their duties appropriately.
- 2.2 During the audit, a sample of Gwynedd Primary Schools were selected for inspection. The Audit Service visited the schools to carry out checks to ensure compliance with Health and Safety requirements and awareness of duties. The audit included checking that fire safety, asbestos and legionella tests were regularly completed with adequate records being kept.

3. Main Findings

- 3.1 Good health and safety controls were found to exist at Ysgol Bro Lleu but the following aspects needed to be tightened.
 - 3.1.1 The Head Teacher has not attended the IOSH Managing Safely training, this is a general weakness for all Gwynedd schools, and is not a reflection of the management of Ysgol Bro Lleu. Arrangements are now in progress by the Education Department to ensure that all primary school Head Teachers receive this training.
 - 3.1.2 There was no risk assessment for trees on site.
 - 3.1.3 The School has a Fire Safety Policy but did not have a copy of the Council's Corporate Fire Safety Policy, a copy was forwarded to the Head Teacher's attention following the visit.
 - 3.1.4 Flushing of little used water outlets are carried out after periods of holidays rather than weekly.
 - 3.1.5 The school did not have the current versions of the Asbestos Management Plan and Legionella Management Plan; copies were forwarded to the Head Teacher's attention following the visit.

4. Audit Opinion

- (B) The Audit's opinion is that partial assurance can be expressed of propriety in the health and safety arrangements of Ysgol Bro Lleu as controls have been established, but there are aspects where some arrangements can be tightened. The Head Teacher has committed to implement the following steps to mitigate the risks highlighted:**
- Produce a risk assessment for 'Trees on site'.
 - Establish a system of running the taps that are rarely used on a weekly basis.

HEALTH AND SAFETY – PRIMARY SCHOOLS YSGOL PENTREUCHAF

1. Background

- 1.1 Every school within the authority has a duty to comply with the Health and Safety at Work Act 1974. Schools have a specific duty to prepare a written health and safety policy.
- 1.2 In Gwynedd Council, the duties for the management of health and safety, fire risks, asbestos and legionnaires disease are set out in the Corporate Health, Safety & Welfare Policy 2015, Fire Safety Policy & Fire Management Plan, Asbestos Management Plan and Legionella Management Plan with some key duties placed on site managers.

2. Purpose and Scope of Audit

- 2.1 The purpose of the audit was to ensure that Gwynedd Primary Schools were aware of their duties in accordance with the Council's Fire, Asbestos and Legionella Plan, and that site managers undertake their duties appropriately.
- 2.2 During the audit, a sample of Gwynedd Primary Schools were selected for inspection. The Audit Service visited the schools to carry out checks to ensure compliance with Health and Safety requirements and awareness of duties. The audit included checking that fire safety, asbestos and legionella tests were regularly completed with adequate records being kept.

3. Main Findings

- 3.1 It was generally seen that Ysgol Pentreuchaf complied with Health and Safety requirements but the following aspects needed to be tightened to mitigate the risks highlighted.
 - 3.1.1 The School did not have a copy of the Corporate Health, Safety and Welfare Policy (2015), a copy of the policy was forwarded to the Head Teacher following the visit.
 - 3.1.2 No fire safety tests were carried out in September. The Head Teacher confirmed that the Caretaker was responsible for completing the tests, but was new to the post in September. The Head Teacher contacted the Development Unit to arrange training for the Caretaker, but was informed that training was not available, and that it was his duty to train her. As the Head Teacher had not received training on how to complete the tests himself, he had to first become familiar with the processes, before going on to train the new Caretaker. As such, no tests were carried out until October. Tests are now carried out regularly.
 - 3.1.3 There were no records of escape route tests. The Head Teacher confirmed that these were held on a daily basis but were not recorded.
 - 3.1.4 There has been no legionella test since July. The Head Teacher was aware of this and intended on arranging for the new Caretaker to carry out these tests following the visit.

- 3.1.5 The school did not have the current HS11 book for accident reporting. The Head Teacher said that he had not received the book, and continued to use the old forms. The School Health and Safety Officer confirmed that a new book would be sent to school immediately.
- 3.1.6 It was found that not all of the accidents that were recorded in the school's serious accident book were on the Council's Health and Safety Database. The Head Teacher confirmed that the school only kept copies of the forms and that the originals are sent to the Health and Safety Department at all times. Confirmation was received from the Health and Safety Department that electronic HS11 forms are currently being piloted in some establishments to reduce the risk of forms being lost in the post.
- 3.1.7 The Head Teacher has not attended the IOSH Managing Safely training, this is a general weakness for all Gwynedd schools, and is not a reflection of the management of Ysgol Pentreuchaf. Arrangements are now in progress by the Education Department to ensure that all primary Head Teachers receive this training.

4. Audit Opinion

(B) Partial assurance can be expressed of propriety in the health and safety arrangements of Ysgol Pentreuchaf as controls have been established, but there are aspects where some arrangements can be tightened. The Head Teacher has committed to implement the following steps to mitigate the risks highlighted:

- Head Teacher to remind the Caretaker of the need to maintain and record escape routes and legionella tests on a weekly basis.
- Head Teacher to familiarize himself with the Corporate Health, Safety and Welfare Policy, and ensure that the school's staff and Governors are aware of the Policy and have the opportunity to read it.

HEALTH AND SAFETY – PRIMARY SCHOOLS YSGOL ABERCASEG

1. Background

- 1.1 Every school within the authority has a duty to comply with the Health and Safety at Work Act 1974. Schools have a specific duty to prepare a written health and safety policy.
- 1.2 In Gwynedd Council, the duties for the management of health and safety, fire risks, asbestos and legionnaires disease are set out in the Corporate Health, Safety & Welfare Policy 2015, Fire Safety Policy & Fire Management Plan, Asbestos Management Plan and Legionella Management Plan with some key duties placed on site managers.

2. Purpose and Scope of Audit

- 2.1 The purpose of the audit was to ensure that Gwynedd Primary Schools were aware of their duties in accordance with the Council's Fire, Asbestos and Legionella Plan, and that site managers undertake their duties appropriately.
- 2.2 During the audit, a sample of Gwynedd Primary Schools were selected for inspection. The Audit Service visited the schools to carry out checks to ensure compliance with Health and Safety requirements and awareness of duties. The audit included checking that fire safety, asbestos and legionella tests were regularly completed with adequate records being kept.

3. Main Findings

- 3.1 It was found that good Health and Safety arrangements existed at Ysgol Abercaseg but the following aspects needed to be tightened.
 - 3.1.1 The School has a Health and Safety Policy, last reviewed in July 2016. It was seen that the policy needed to be updated to reflect the changes to the Governing Body as individuals on the Buildings Sub-Panel had changed since the last review.
 - 3.1.2 The School did not have a copy of the Corporate Health, Safety and Welfare Policy (2015), a copy of the policy was forwarded to the Head Teacher following the visit. Following the release of the draft report, the Head Teacher confirmed that the Governors had accepted the policy.
 - 3.1.3 The Head Teacher has not attended the IOSH Managing Safely training, this is a general weakness for all Gwynedd schools, and is not a reflection of the management of Ysgol Abercaseg. Arrangement are now in progress by the Education Department to ensure that all primary school Head Teachers receive this training.
 - 3.1.4 A sample of the school's risk assessments were checked to ensure that they have the essential / generic assessments that have been identified by the Council and that they are current. The Head Teacher explained that a system of checking and reviewing the risk assessments with the School staff is in place and that they had been reviewed during the past year. However, whilst checking a sample, it was found that the 'Date for review' had been identified as 03/01/17 on two of the assessments suggesting that they had not been reviewed since 2016.

- 3.1.5 There were no risk assessments for first aid arrangements, on site trees or the car park. The Head Teacher explained that the car park is for staff and visitors only, parents are not permitted to use it. A letter is sent to parents annually informing them not to come onto the yard with their cars / use the car park. Also, staff are aware that if they see a parent on the yard / in the car park they need to notify them not to use it. Confirmation was received from the School Health and Safety Officer that there is a need for a risk assessment for the car park as there is still a significant risk.
- 3.1.6 The current versions of the following policies/guidelines were not in the school, they were forwarded to the Head Teacher following the visit: Asbestos Management Plan and Fire Safety Policy. In addition, an essential/generic risk assessment list was sent to the Head Teacher in order for them to identify other risk assessments that are needed in the school.

4. Audit Opinion

(B) Partial assurance can be expressed of propriety in the health and safety arrangements of Ysgol Abercaseg as controls have been established, but there are aspects where some arrangements can be tightened. The Head Teacher has committed to implement the following steps to mitigate the risks highlighted:

- Update the Health and Safety Policy to reflect the changes to the Governing Body / Building Sub-Panel.
- Head Teacher to familiarize herself with the Corporate Health, Safety and Welfare Policy, ensure that the school's staff and Governors are aware of the Policy and have the opportunity to read it.
- Review risk assessments annually.
- Produce risk assessments for:
 - (i) trees on site;
 - (ii) car park;
 - (iii) first aid arrangements.

HEALTH AND SAFETY – PRIMARY SCHOOLS YSGOL DYFFRYN ARDUDWY

1. Background

- 1.1 Every school within the authority has a duty to comply with the Health and Safety at Work Act 1974. Schools have a specific duty to prepare a written health and safety policy.
- 1.3 In Gwynedd Council, the duties for the management of health and safety, fire risks, asbestos and legionnaires disease are set out in the Corporate Health, Safety & Welfare Policy 2015, Fire Safety Policy & Fire Management Plan, Asbestos Management Plan and Legionella Management Plan with some key duties placed on site managers.

2. Purpose and Scope of Audit

- 2.1 The purpose of the audit was to ensure that Gwynedd Primary Schools were aware of their duties in accordance with the Council's Fire, Asbestos and Legionella Plan, and that site managers undertake their duties appropriately.
- 2.2 During the audit, a sample of Gwynedd Primary Schools were selected for inspection. The Audit Service visited the schools to carry out checks to ensure compliance with Health and Safety requirements and awareness of duties. The audit included checking that fire safety, asbestos and legionella tests were regularly completed with adequate records being kept.

3. Main Findings

- 3.1 It was generally seen that Ysgol Dyffryn Ardudwy complied with Health and Safety requirements but the following aspects needed to be tightened to mitigate the risks highlighted.
 - 3.1.1 The School has a Health and Safety Policy which is reviewed annually. However, the policy is kept electronically as they are a Green School, which means that staff do not have access to it.
 - 3.1.2 The School did not have a copy of the Corporate Health, Safety and Welfare Policy (2015), a copy of the current policy was sent to the Head Teacher's attention.
 - 3.1.3 The Head Teacher has not attended the IOSH Managing Safely training, this is a general weakness for all Gwynedd schools, and is not a reflection of the management of Ysgol Dyffryn Ardudwy. Arrangements are now in progress by the Education Department to ensure that all primary Head Teachers receive this training.
 - 3.1.4 A sample of the school's risk assessments were checked to ensure that the school have essential/generic assessments that have been identified by the Council and that they are current. Assessments were found to be in place for each of the risks examined but were not reviewed annually.
 - 3.1.5 The Head Teacher expressed concern that the Caretaker had not received any training as to how to carry out the fire safety tests before commencing in her role. It is noted that the Caretaker is now aware of how to carry out these tests.
 - 3.1.6 There was no Fire Risk Assessment at the school, a copy was received from an officer from the Property Unit following the visit and was forwarded to the Head Teacher.

- 3.1.7 The School did not have a Fire Management Plan, the Head Teacher was informed of the need to complete the plan with the school's details and was sent a current template following the visit.
- 3.1.8 All fire safety equipment were not recorded in the Fire Log Book. The Head Teacher was informed of the need to do this in the current Fire Log Book.
- 3.1.9 Fire safety tests were checked on the day of the visit and it was found that records of escape route tests had not been maintained. The Head Teacher reported that the routes were kept clear but no weekly test was carried out. In addition, fire extinguishers were tested monthly rather than weekly. The school did not use the current Fire Log Book to record the tests, the Head Teacher was notified of this and a copy was sent following the visit.
- 3.1.10 When checking the 'Register of Flushing for Little Used Water Outlets' it was found that the last test had been held two and a half weeks ago rather than weekly.
- 3.1.11 The school has arrangements in place for recording accidents / injuries. Three members of staff have a first aid qualification and inform parents/ guardians of any incidents. For more serious accidents, the school uses 'Reporting an accident or incident that is the case for minor serious injuries for a Pupil' forms for pupils and uses the HS11 (2004) book for staff to report to the Health and Safety Unit. It was explained that these forms are now out of date and that there is a need to use the 'Accident Recording Book, Disease, Dangerous Occurrence or Violent Incident' HS11 (2014) to record any accidents/incidents from now on. The HS11 (2014) book and the guidelines were already in the school.
- 3.1.12 The current version of the Asbestos Management Plan was not in the school, a copy was sent following the visit. In addition, an essential/generic risk assessment list was sent to the Head Teacher in order to identify other risk assessments that are needed in the school.

4. Audit Opinion

(C) No assurance of propriety can be given in the health and safety arrangements of Ysgol Dyffryn Ardudwy as the controls in place cannot be relied upon. The Head Teacher has committed to implement the following steps to mitigate the risks highlighted:

- Ensure that the School's Health and Safety Policy is available to staff and is read and understood.
- Head Teacher to familiarize herself with the Corporate Health, Safety and Welfare Policy, ensure that the school's staff and Governors are aware of the Policy and have the opportunity to read it.
- Review risk assessments annually.
- Head Teacher to familiarize herself with the Fire Risk Assessment and place it in the blue box.
- Head Teacher to complete the Fire Management Plan and place in the blue box.
- Record the locations of the fire safety equipment in the current Fire Log Book.
- Head Teacher to inform the Caretaker to conduct and record fire extinguisher and escape routes tests on a weekly basis.
- Head Teacher to remind the Caretaker of the need to maintain and record the flushing for little used water outlets weekly.
- Use the 'Accident Recording Book, Disease, Dangerous Occurrence or Violent Incident' HS11 (2014) from now on.

**HEALTH AND SAFETY – PRIMARY SCHOOLS
YSGOL O M EDWARDS**

1. Background

- 1.1 Every school within the authority has a duty to comply with the Health and Safety at Work Act 1974. Schools have a specific duty to prepare a written health and safety policy.
- 1.2 In Gwynedd Council, the duties for the management of health and safety, fire risks, asbestos and legionnaires disease are set out in the Corporate Health, Safety & Welfare Policy 2015, Fire Safety Policy & Fire Management Plan, Asbestos Management Plan and Legionella Management Plan with some key duties placed on site managers.

2. Purpose and Scope of Audit

- 2.1 The purpose of the audit was to ensure that Gwynedd Primary Schools were aware of their duties in accordance with the Council's Fire, Asbestos and Legionella Plan, and that site managers undertake their duties appropriately.
- 2.2 During the audit, a sample of Gwynedd Primary Schools were selected for inspection. The Audit Service visited the schools to carry out checks to ensure compliance with Health and Safety requirements and awareness of duties. The audit included checking that fire safety, asbestos and legionella tests were regularly completed with adequate records being kept.

3. Main Findings

- 3.1 It was generally seen that Ysgol O M Edwards complied with Health and Safety requirements but the following aspects need to be tightened to mitigate the risks highlighted.
 - 3.1.1 Whilst checking the Fire Log Book, it was seen that escape routes tests had not been carried out since March 2017, where they are expected to take place on a weekly basis. However, the Head Teacher confirmed that the escape routes were tested and recorded monthly by the Cleaner who keeps a record in a small booklet. The Head Teacher added that she checked the routes daily, with any obstacles being removed. However, the School Health and Safety Officer confirmed that it was essential that the routes were tested and recorded weekly.
 - 3.1.2 Fire alarm tests are completed monthly rather than on a weekly basis. The County Fire Officer instructed the Head Teacher that it was sufficient to test primary school fire alarms monthly. However, the School Health and Safety Officer noted that it was essential for them to be tested and recorded weekly, in accordance with the Fire Act 2005.
 - 3.1.3 Not all accidents recorded in the school's HS11 book were found on the Health and Safety Database. The Head Teacher confirmed that they only keep copies at the school, with the original forms being sent to the Health and Safety Department within 24 hours of the incident at all times. Confirmation was received from the Health and Safety Department that electronic HS11 forms are currently being piloted in some establishments to reduce the risk of forms being lost in the post.

3.1.4 The Head Teacher has not attended the IOSH Managing Safely training, this is a general weakness for all Gwynedd schools, and is not a reflection of the management of Ysgol O M Edwards. Arrangements are in progress by the Education Department to ensure that all primary Head Teachers receive this training.

4. Audit Opinion

(B) Partial assurance can be expressed of propriety in the health and safety arrangements of Ysgol O M Edwards as controls have been established, but there are aspects where some arrangements can be tightened. The Head Teacher has committed to implement the following steps to mitigate the risks highlighted:

- Head Teacher to remind the Cleaner of the need to carry out and record the escape route and fire alarms tests weekly.

**HEALTH AND SAFETY – PRIMARY SCHOOLS
YSGOL LLANYSTUMDWY**

1. Background

- 1.1 Every school within the authority has a duty to comply with the Health and Safety at Work Act 1974. Schools have a specific duty to prepare a written health and safety policy.
- 1.2 In Gwynedd Council, the duties for the management of health and safety, fire risks, asbestos and legionnaires disease are set out in the Corporate Health, Safety & Welfare Policy 2015, Fire Safety Policy & Fire Management Plan, Asbestos Management Plan and Legionella Management Plan with some key duties placed on site managers.

2. Purpose and Scope of Audit

- 2.1 The purpose of the audit was to ensure that Gwynedd Primary Schools were aware of their duties in accordance with the Council's Fire, Asbestos and Legionella Plan, and that site managers undertake their duties appropriately.
- 2.2 During the audit, a sample of Gwynedd Primary Schools were selected for inspection. The Audit Service visited the schools to carry out checks to ensure compliance with Health and Safety requirements and awareness of duties. The audit included checking that fire safety, asbestos and legionella tests were regularly completed with adequate records being kept.

3. Main Findings

- 3.1 It was generally seen that Ysgol Llanystumdwy complied with Health and Safety requirements but the following aspects need to be tightened to mitigate the risks highlighted.
 - 3.1.1 The School has a Health and Safety Policy, which was adopted in 2011 but has not been reviewed since. The Head Teacher was aware of the need to review the policy and stated that it was intended to include it on the agenda of the next Governing Body meeting to be held at the end of the term.
 - 3.1.2 The School did not have a copy of the Corporate Health, Safety and Welfare Policy (2015), a copy of the policy was forwarded to the Head Teacher's attention following the visit.
 - 3.1.3 The Head Teacher has not attended the IOSH Managing Safely training, this is a general weakness for all Gwynedd schools, and is not a reflection of the management of Ysgol Llanystumdwy. Arrangements are in progress by the Education Department to ensure that all primary school Head Teachers receive this training.
 - 3.1.4 A sample of the school's risk assessments were checked to ensure that the school have essential generic assessments that have been identified by the Council and that they are current. Assessments are in place for some of the risks and are current. The Head Teacher noted that the assessments are reviewed every three years but was reminded that they should be reviewed annually.

- 3.1.5 There were no risk assessments for first aid arrangements, on site trees or the car park. The Head Teacher explained that the car park is for staff use only, parents are not permitted to use the car park and the pupils do not use it to access the school. Confirmation was received from the School Health and Safety Officer that there was a need for a risk assessment for the car park as there was still a significant risk. During the consultation period of the draft report, risk assessments were received for these three areas, namely first aid arrangements, car park and on-site trees.
- 3.1.6 An officer from Severn Trent had visited the school the morning of the visit but had not signed in on the 'In/Out of Building' record. The Head Teacher was informed of this, and was aware of the importance of recording in/out.
- 3.1.7 All fire safety equipment were not recorded in the Fire Log Book. The Head Teacher was advised of the need to do this in the current Fire Log Book in the School's blue box.
- 3.1.8 Fire safety tests were checked during the visit, there were no records that the emergency lighting, fire extinguishers or escape routes had been tested. The Head Teacher noted that everyone is aware of the need to keep the escape routes clear but it did not appear that weekly tests were carried out. In addition, no log was kept of the flushing of water outlets; this is the Caretakers responsibility after any periods of holidays. The Head Teacher has created a checklist for the Caretaker, which includes carrying out these fire safety tests and running the taps after periods of holidays.
- 3.1.9 The school has arrangements in place for recording accidents / injuries. Two members of staff have a first aid qualification and inform parents/guardians if there was an incident. For more serious accidents the school uses 'Reporting an accident or incident that is the case for minor serious injuries for a Pupil' or a book HS11 (2004) to report to the Health and Safety Unit. It was explained that these forms are now out of date and that there is a need to use the 'Accident Recording Book, Disease, Dangerous Occurrence or Violent Incident' HS11 (2014) to record any accidents/incidents from now on. The book of HS11 (2014) together with the guidelines were already at the school.
- 3.1.10 The current versions of the following policies/guidelines were not in school, copies were forwarded to the Head Teacher following the visit: Asbestos Management Plan and Legionella Management Plan. In addition, an essential/generic risk assessment list was sent to the Head Teacher in order to identify other risk assessments that are needed at the school.

4. Audit Opinion

(B) Partial assurance can be expressed of propriety in the health and safety arrangements of Ysgol Llanystumdwy as controls have been established, but there are aspects where some arrangements can be tightened. The Head Teacher has committed to implement the following steps to mitigate the risks highlighted:

- Review the School's Health and Safety Policy in the next Governing Body's meeting.
- Head Teacher to familiarize herself with the Corporate Health, Safety and Welfare Policy, ensure that the school's staff and Governors are aware of the Policy and have the opportunity to read it.
- Record the locations of the fire safety equipment in the current Fire Log Book.
- Use the 'Accident Recording Book, Disease, Dangerous Occurrence or Violent Incident' HS11 (2014) from now on.

STORIEL, BANGOR – UNANNOUNCED VISIT ECONOMY AND COMMUNITY

1. Background

1.1 STORIEL is the new name for the museum and Gwynedd Gallery. There you will gain access to collections from Bangor University, STORIEL and Plas yr Esgob. Following recent investment there are many new facilities available at STORIEL.

- Craft Gallery and Museum Exhibitions.
- Space for Community Exhibitions
- Shop and Cafe
- Learning Room and Meeting Rooms for hire.

2. Purpose and Scope of the Audit

2.1 The purpose of the audit was an unannounced visit to confirm that the cash in the till reconciled with the till totals. Additionally, checks were made to confirm that the artists received correct sums of money following the sale of their products, and that the commission of 30% on each sale payable to Storiel was claimed and accounted for correctly in the Council's Financial ledger. Storiel was visited on the afternoon of the 8 November 2017.

3. Main Findings

3.1 It was found that on the day of the audit the till was over by £12.60. This was a sum that had been carried over daily since the 31/10/2017, the day following the return to work of the receptionist after her sickness absence. No explanation was available for the discrepancy. Normal procedure is that the receptionist advises the Museum and Volunteer Co-ordinator of any discrepancies, but in this instance she had not been made aware. It is believed likely that the discrepancy was due to cash being received from a customer but not processed correctly through the till. This discrepancy will now be investigated by checking the sales records for the days preceding the discrepancy (all sales are noted in a diary which is kept in reception).

3.2 A record of all artist sales are kept on specific sheets at STORIEL. These are sent on a monthly basis to officers who work at the council's Archives department to action e.g. to pay the correct sum to the artist and to claim the 30% commission correctly in the Financial ledger. The income collected originally is coded to SD999 SD51 or 81 (holding account) in the ledger, which is amended monthly to the correct revenue code. A sample of 17 sheets were checked and it was confirmed that the artist were paid the correct sums and that the 30% commission and VAT had been accounted for correctly in the Financial accounts.

4. Audit Opinion

(B) Partial assurance can be expressed of propriety in the financial arrangements at STORIEL, as controls have been established, but there are aspects where some arrangements can be tightened. The Museum and Volunteer Co-ordinator has committed to implement the following steps to mitigate the risks highlighted :

- Investigate the reason why the till was over and make the necessary adjustment.

BRO FFESTINIOG SWIMMING POOL ECONOMY AND COMMUNITY

1. Background

1.1 Gwynedd Council's Leisure Centres and Swimming Pools are part of the Healthy Communities Service, within the Economy and Community Department. There are 4 Area Managers responsible for managing the Centres that are controlled by the Authority.

2. Purpose and Scope of the Audit

2.1 The purpose of the audit was to ensure that robust arrangements are in place at the Swimming Pool in order to properly manage and mitigate risks, and to ensure compliance with the Council's internal procedures and other relevant laws.

2.2 The audit encompassed visiting a sample of 4 Leisure Centres or Swimming Pool without warning to ensure that appropriate arrangements were in place for managing various risks that might exist in the areas of income collection, budgetary control, procurement and storage of goods and health and safety.

3. Main Findings

3.1 It was generally found that there are appropriate internal controls at Bro Ffestiniog Swimming Pool, but the following aspects need to be tightened to mitigate the risks highlighted.

3.1.1 The surplus/deficit account is used when the money presented to the bank does not correspond with the till readings. One example included a significant difference of £76 on TR34cc (credit cards), and there was also an incorrect use of the income codes. This seems to be a mistake but the Deputy Manager agreed that it would be beneficial to discuss and reinforce the procedure with staff.

3.1.2 A locked cabinet in the Reception contains a number of different administrative documents. However, only the Deputy Manager and one of the Duty Managers have a key to the cabinet, but they are not present at the pool on a daily basis.

3.1.3 The Swimming Pool creates a number of reports from the Gladstone system daily. These include POS, 'Cancelled', 'Refund' and 'Log in Log Out' reports together with the TR34 banking sheets, TR34cc and Ham 9.2/Ham9.3 for the day. For the period selected in the sample, all reports in each 'day pack' were found to be signed and dated. Creating each report on a daily basis can be unnecessary administrative work, but it can also be misleading. That is to say, parameters inserted into the system when creating a report are limited to that day, so there will be no e.g. 'Unpaid booking' from that day appearing on the following day's report, and there is a risk of the debt being forgotten. However, the Deputy Manager explained that monthly reports were also being created to highlight relevant cases and the details will be shared with staff.

3.1.4 A sample of 3 invoices raised by the Swimming Pool were selected. One invoice seems to have been miscoded (an income of over £2k has been coded to the Swimming Pool rather than the Glaslyn Leisure Centre code). It was agreed to move this money to the correct income code.

- 3.1.5 It was explained that direct debit packages were kept in a locked cabinet before being sent to the Business Support Officer. However, a folder was kept under the reception desk that included copies of direct debit application forms and customers' personal details.
- 3.1.6 The only stock for sale at the Swimming Pool are swimming goods. The goods are placed on the wall at reception, but due to the shape of the room, it is not easy for staff to see. The stock records of the goods were checked but only storage records were kept, where the amount of goods that's moved to reception were recorded and the amount remaining left in the store. There is no reconciliation between goods sold and stock levels in reception which means that there is a risk of losing goods by stealing, and it is not easy to identify any such loss.
- 3.1.7 No record is kept of any assets worth less than a value of £100. The information in the IMS is misleading as it indicates that only a record of assets up to a value of £100 needs to be retained.
- 3.1.8 There was no record of the building evacuation exercises in the Blue Box during the visit. The Deputy Manager explained that the exercises were held but not recorded. In addition, the emergency lights have not been tested for over a year. The Deputy Manager has raised concerns regarding the emergency lighting and pool lighting with the Property Unit but has not received a response.
- 3.1.9 During the visit it was seen that there were surplus Polyaluminium Chloride (CAP) chemicals in storage that needed to be disposed of or transferred.
- 3.1.10 All Council staff are expected to accept the Safeguarding Children and Adults Policy in the Policy Centre, and complete the 'Child Protection and Safeguarding', 'Safeguarding Adults' and 'Prevent' modules on the e-learning portal. The 'Domestic Abuse' module has also been added recently to the required list. A list of staff who have completed the modules was received from the Learning and Development team and it was found that not all contracted staff have completed all the modules. There was no Safeguarding poster at the Swimming Pool office, but one was provided by the Auditors on the day of the visit.

4. Audit Opinion

(B) Partial assurance can be expressed on the propriety of Bro Ffestiniog Swimming Pool as there are controls in place, but there are aspects where some arrangements could be tightened. The Swimming Pool has committed to implement the following steps to mitigate the risks highlighted

- Discuss the income administration procedures with Pool staff.
- Transfer the income from invoice D0025842 to the income code of Glaslyn Leisure Centre.
- Keep direct debit information under lock and key.
- Incorporate the goods that are for sale at reception in the stock recordings.
- Modify the IMS by stating the need to keep a record of any assets over £100.
- Record all the building evacuation exercises, and keep them in the blue box.
- Arrange to dispose the surplus Polyaluminium Chloride (PAC) chemicals kept in the store or transfer them to another Swimming Pool.
- Display the Safeguarding poster received on the day of the audit visit.
- Arrange for all contracted staff to complete 'Safeguarding', 'Prevent' and 'Domestic Abuse' modules on the e-learning portal

GARDEN WASTE COLLECTION HIGHWAYS AND MUNICIPAL

1. Background

1.1 In accordance with the Council's Waste Strategy 2010 - 2025, the Council's garden waste collection arrangements were reviewed in order to achieve savings of £750,000 in the 2017/18 financial year, by introducing a fee for the provision. The fee of £33 has been payable since January 2017, with 8,000 collections being held weekly.

2. Purpose and Scope of the Audit

2.1 The purpose of the audit was to ensure that appropriate internal controls were in place in the management and administration of the Council's garden waste collection service. In order to achieve this the audit included discovering what information is available to the public, reviewing service requests, financial transactions, monitoring targets, as well as training records.

3. Main Findings

3.1 It was generally found that there were appropriate internal controls in place for the management and administration of the Council's garden waste collection service, but the following aspects needed to be tightened to mitigate the risks highlighted.

3.1.1 There is a lack of consistency in the information available to the public. Originally, the intention was to offer up to 3 brown bins to customers. However, unexpectedly, two customers paid for 4 bins, so it was decided to modify the original arrangements. Although several sources of information have been modified to reflect this, the 'Terms and Conditions' continue to state 3 bins. The Service was aware of this, and in the process of rectifying it.

3.1.2 "Receipts and Banking" TR34 forms are sent late to the Income Unit, mainly from Siopau Gwynedd Dolgellau and Pwllheli. 1 TR34 out of a sample of 25 took 26 days to arrive. Although this does not interfere with the Service given to the customer, (as their applications are processed when receiving a payment), it means that the income is late arriving at the ledger. The Customer Contact and Registration Service confirmed that it will inform Siopau Gwynedd to send the TR34 forms to the Income Unit on a weekly basis from now on.

3.1.3 It was found that the correct price was not charged to customers in all cases. Currently, CAPITA (credit/debit card payment system) is not integrated with FFOS (Highways system). Although FFOS confirms the fee payable when applying, it is the responsibility of the staff to enter the correct amount in CAPITA. There were examples where the wrong fee had been inputted, resulting in a financial loss to the Council. As a result, the income figure generated by FFOS was found to be different from what is reported in the ledger. Confirmation was received that the technological work had already been done to integrate the two systems, and the solution will be released shortly.

3.1.4 Brown bin stock checks are not carried out regularly. The Waste and Commissioning Service confirmed that a stock count had recently been made. They would be recorded on a simple spreadsheet for the time being, but it is hoped to work with IT in the future to try to do this through FFOS.

- 3.1.5 At present, there is no charge to customers where it can be proven that they have damaged their bin. The Service confirmed that this matter was included in a report that is due to be submitted to the Communities Scrutiny Committee in due course.
- 3.1.6 Waste collectors do not sign to declare that they have read the Council's policy on bribery. Currently, only the team leaders read the Policy, conveying the message verbally to the workforce. The Service intends to produce a simple Policy for circulation to the workforce.
- 3.1.7 Not all staff have received Lifting and Handling training, and 37 staff training had expired. However, confirmation was received that training had been arranged for November 2017.
- 3.1.8 Drivers are required to complete an annual declaration that confirms compliance with the Council's policies and controls, but the Service does not monitor when the statements expire. Several statements have expired due to lack of monitoring. Confirmation was received that annual declaration dates are now being recorded on the Fleet self-service system, which provides a list of drivers and their annual declaration dates to the relevant Area Managers for monitoring.
- 3.1.9 Not all service requests are completed within the expected 5 days. Whilst auditing a sample of applications, it was seen that 1 had taken up to 35 days to process. Applications are occasionally flagged as unsuccessful due to time restrictions within FFOS, which means that applications that aren't completed quickly enough are not sent to the Administration Team in Ciblyn for processing. Effort is made to check the new applications for unsuccessful ones, but some fall through the net. It is hoped that the Service could work with IT in the near future to arrange that FFOS could send an email identifying unsuccessful applications. Confirmation was received that this issue was on the agenda of the Project Group after November.
- 3.1.10 Drivers are required to complete a daily vehicle checklist before driving any vehicle. However, it has been found that these are not completed correctly in the Meirionnydd area.

4. Audit Opinion

(B) Partial assurance can be expressed on the propriety of the management and administration arrangements of the Council's garden waste collection service as there are controls in place, but there are aspects where some arrangements could be tightened. The relevant officers have committed to implement the following steps to mitigate the risks highlighted:

- Adjust the Terms and Conditions to confirm that up to 4 brown bins collections could be ordered.
- Ensure that Siopau Gwynedd Pwllheli and Dolgellau send Receipts and Banking TR34 forms to the Income Unit on a weekly basis.
- Continue to work with IT in order to integrate FFOS and CAPITA systems so that the fee payable does not need to be entered by hand.
- Confirm that stock checks are carried out on a regular basis and any inconsistencies are investigated.
- Ensure that all staff receive guidance on bribery.
- Continue to work with IT to get FFOS to highlight any unsuccessful applications.
- Ensure that the required checks are completed and recorded accurately on the daily vehicle checklist.

COMMITTEE	AUDIT AND GOVERNANCE COMMITTEE
DATE	30 NOVEMBER 2017
TITLE	INTERNAL AUDIT PLAN 2017/18
PURPOSE OF REPORT	TO GIVE THE COMMITTEE AN UPDATE ON PROGRESS AGAINST THE 2017/18 AUDIT PLAN
AUTHOR	LUNED FÔN JONES – AUDIT MANAGER
ACTION	FOR INFORMATION

1. INTRODUCTION

1.1 This report is a progress report on completion of the 2017/18 Internal Audit Plan.

2. SUMMARY OF PROGRESS AGAINST THE PLAN

2.1 The 2017/18 internal audit plan is included in Appendix 1 with the status of the work as at 17 November 2017 noted, together with the time spent on each project. The status of the work in the operational plan at that date was as follows:

Audit Status	Number
Planned	16
Working Papers Created	6
Field Work Started	14
Field Work Completed	0
Manager Review	1
Draft Report	0
Final Report Issued	28
Total	65
Cancelled due to a shortage of resources	5
Audits cancelled to undertake others	1

2.2 The performance target for 2017/18 is to have 95% of the audits in the plan to be either closed or with the final report released by 31 March 2018. The quarterly profile of this indicator is as follows:

End of quarter 1	8%
End of quarter 2	20%
End of quarter 3	50%
End of quarter 4	95%

2.3 As seen from the table above, Internal Audit's actual achievement up to 17 November 2017 was **43.07%** - out of **65** individual audits contained in the 2017/18 plan, **28** had been released in a finalised version.

3. AMENDMENTS TO THE PLAN

3.1 The days allocated to one of the audits from the original plan – "Health and Safety - Primary" have been assigned to six individual school.

3.2 Due to the six-month absence of one member of the Internal Audit Service, it is inevitable to cancel audits equivalent to 85 working days. The audits selected not to be carried out are detailed below along with an explanation for the decision:

- Welsh Church Fund (*Economy and Community*) – 5 days. The Fund income has not reached the income threshold of £25k for audit requirements.
- Council Tax System "Advantage Digital Portal" (*Finance*) – 10 days. This project is part of a wider self-service project and is dependent on when the project is scheduled in the self-service work programme.
- Adult Placement Scheme (*Adults, Health and Wellbeing*) – 15 days. The Care and Social Services Inspectorate Wales (CSSIW) published a report in June 2017 on the Gwynedd Adult Placement scheme and they were of the opinion that *"there is a robust matching process in place. The experience and lifestyles of both the enablers and people using the service are matched taking into consideration social activities, hobbies, leisure interests and faith....There were no issues on non compliance to report."* A further internal audit would not be an effective use of resources.
- Commissioning Arrangements (*Adults, Health and Wellbeing*) – 30 days. The Social Services and Wellbeing Act (Wales) came into force in April 2016 and Part 9 of the Act requires the establishment of pooled budgets for specific functions. The purpose of the audit was to conduct a review of joint commissioning arrangements with the Local Health Board on specific areas such as care home accommodation. However, the work underway to develop regional pooled budgets for North Wales, under the direction of the North Wales Regional Partnership Board (NWRPB) is still very much in its infancy, therefore there is no purpose carrying out the audit until proper arrangements are in place.
- Health and Safety (North and Mid Wales Trunk Road Agency) – 25 days. The Health and Safety standard (OHSAS 18001) will be revised in the next year with a three-year to ensure compliance with the new standard. The new standard will be published in March 2018.

3.3 24 days had been assigned for the audit of "Grants" in the Children and Family Support Department. The days have now been assigned to two specific grants, namely "Families First" and "Childcare Proposal Grant" - with 12 allocated to each grant.

3.4 A request was received to undertake a review of “Car Park Income” arrangements due to emerging issues that have become apparent to the Income Service, Accountancy and the Transport and Street Care Service. A total of 15 days has been allocated to undertake the review. It was decided to cancel the “YGC Accreditations” audits to conduct the review as the accreditation are subject to external reviews by BSI.

4. RECOMMENDATION

4.1 The Committee is asked to note the contents of this report as an update on progress against the 2017/18 audit plan, and offer comments thereon and accept the report.



Internal Audit Plan 2017/18

Audit Code	Audit Name	Original Plan	Adjustment	Revised Plan	Actual Days	Audit Status
CORPORATE						
1-CORFF-01/2018	Disposal of Confidential Waste – The Use of Red Sacks and Shredders	10.00	0.00	10.00	9.30	Final Report Issued
1-CORFF-09/2018/001	Supporting Ffordd Gwynedd Reviews	20.00	0.00	20.00	0.34	Planned
1-CORFF-09/2018/002	Learning and Development Integrated System	10.00	0.00	10.00	7.26	Field Work Started
1-CORFF-11/2018	Obtaining References, Proof of Identity and Evidence of Qualifications	15.00	0.00	15.00	11.86	Manager Review
1-CORFF-12/2018	Awareness of the Whistleblowing Policy	15.00	0.00	15.00	15.12	Final Report Issued
1-CORFF-13/2018	Self-service Travelling Expenses	5.00	0.00	5.00	5.69	Final Report Issued
1-CORFF-19/2018/001	Safeguarding Arrangements - Field Workers' Awareness of Policy	35.00	0.00	35.00	1.47	Field Work Started
1-CORFF-19/2018/002	Safeguarding Arrangements – Establishments	4.00	0.00	4.00	0.42	Field Work Started
1-CPCV-01/2018	Culture and Conduct	15.00	0.00	15.00		Planned
1-CPCV-02/2018	Proactive Prevention of Fraud and Corruption	20.00	0.00	20.00	22.69	Final Report Issued
2-ADICGCGC-DPA/2018cy	Information Management – Establishments	6.00	0.00	6.00	0.47	Field Work Started
AO-AP-05/2018	National Fraud Initiative	40.00	0.00	40.00	15.95	Field Work Started
EDUCATION						
Resources						
4-DAT-X-ADD/2018/GY	School Uniform Grant	0.00	12.00	12.00	11.73	Final Report Issued
4-DAT-X-ADD/2018GAD	Pupil Deprivation Grant	10.00	0.00	10.00	10.12	Final Report Issued
4-DAT-X-ADD/2018GGA	Education Improvement Grant for Schools	15.00	0.00	15.00	13.89	Final Report Issued
4-DAT-X-ADD/2018o16	Post-16 provision in Schools Grant	3.00	0.00	3.00		Planned
EADDA03/2018	Awareness of the Whistleblowing Policy – Primary and Secondary	25.00	0.00	25.00	4.49	WP Created
EADDA29/2018/2089	Health and Safety - Ysgol Bro Llieu	0.00	4.10	4.10	4.51	Final Report Issued
EADDA29/2018/2093	Health and Safety – Ysgol Pentreuchaf	0.00	4.10	4.10	4.52	Final Report Issued
EADDA29/2018/2126	Health and Safety - Ysgol Abercaseg	0.00	4.20	4.20	4.67	Final Report Issued
EADDA29/2018/2189	Health and Safety - Ysgol Dyffryn Arudwy	0.00	4.20	4.20	4.37	Final Report Issued
EADDA29/2018/2199	Health and Safety - Ysgol O M Edwards	0.00	4.20	4.20	4.66	Final Report Issued
EADDA29/2018/3023	Health and Safety - Ysgol Llanystumdwy	0.00	4.20	4.20	4.64	Final Report Issued

Audit Code	Audit Name	Original Plan	Adjustment	Revised Plan	Actual Days	Audit Status
GwE						
4-GWE/2018	Business Arrangements	20.00	0.00	20.00		Planned
Schools						
EADDA21/2018	School Meals Income	20.00	-12.00	8.00	0.27	Planned
EADDA35/2018	Schools - General	10.00	0.00	10.00	0.22	Field Work Started
ENVIRONMENT						
Public Protection						
2ADN-GGYC-GYC/2018bw	Food Hygiene	8.00	0.00	8.00	1.93	Planned
BB-YSG-11/2018	Licensing	8.00	0.00	8.00		Planned
Council Land and Property						
BA-EID-04/2018	Smallholdings	8.00	0.00	8.00	1.53	Field Work Started
BA-EID-05/2018	School Schemes – Ysgol Glancegin	10.00	0.00	10.00	2.69	Field Work Started
Transportation and Street Care						
DDAT-CC-01/2018	Concessionary Fares	8.00	0.00	8.00	5.28	WP Created
PPE-AD-01/2018	Car Park Income	0.00	15.00	15.00	1.69	Field Work Started
NORTH AND MID WALES TRUNK ROAD AGENCY						
3-AMC-ACGC/2018	Health and Safety	25.00	0.00	25.00		Cancelled
CORPORATE SUPPORT						
Democracy						
BB-YSG-18/2018	Training New Members	10.00	0.00	10.00	9.18	Final Report Issued
FINANCE						
Across the department						
AW-TG-12/2018tg	IT System Security	30.00	0.00	30.00		Planned
Financial						
AD-DY-01/2018	Debt Recovery Arrangements	15.00	0.00	15.00	5.43	Field Work Started
Accountancy						
AN-ACY-10/2018	Precepts	5.00	0.00	5.00	7.42	Final Report Issued
Pensions and Payroll						
AP-PEN-01/2018	Pension Fund	15.00	0.00	15.00		Planned

Audit Code	Audit Name	Original Plan	Adjustment	Revised Plan	Actual Days	Audit Status
AP-PEN-15/2018	Death Grants	15.00	0.00	15.00	12.50	Final Report Issued
Revenue						
AB-BD-01/2018kc	Benefits – Review of Key Controls	12.00	0.00	12.00	4.81	Field Work Started
AC-TR-01/2018	Council Tax System - Advantage Digital Portal	10.00	0.00	10.00		Cancelled
ECONOMY AND COMMUNITY						
Community Regeneration						
EADDZ-01/2018	Welsh Church Fund	5.00	0.00	5.00		Cancelled
Record offices, museums and the arts						
EDIW-MU-03/2018/001	Storiell – Closing the Project	5.00	0.00	5.00		Planned
EDIW-MU-03/2018/002	Storiell – Unannounced Visit	1.00	0.00	1.00	0.91	Final Report Issued
Leisure						
E-DGO-01/2018/002	Membership Direct Debit Payments	10.00	0.00	10.00	10.04	Final Report Issued
EHAMAC6402/2018	Arfon Tennis Centre	12.00	0.00	12.00	9.47	Final Report Issued
EHAMAC6443/2018	Pavillion Leisure Centre	10.00	0.00	10.00	9.96	Final Report Issued
EHAMAC6444/2018	Bro Ffestiniog Swimming Pool	8.00	0.00	8.00	10.09	Final Report Issued
EHAMAC6446/2018	Glan Wnion Leisure Centre	10.00	0.00	10.00	11.05	Final Report Issued
Maritime and country parks						
EHAMM-03/2018	Victoria Dock	10.00	0.00	10.00	4.05	Field Work Started
Strategy and development Programmes						
DDAT-AD-02/2018	Caernarfon Waterfront and Town Centre Regeneration Initiative – Governance Arrangements	15.00	0.00	15.00		Planned
ADULTS, HEALTH AND WELLBEING						
Business						
GRH-CD01/2018	Commissioning Arrangements	30.00	0.00	30.00		Cancelled
Supporting People						
GDAPR-SP01/2018	Supporting People Grant	15.00	0.00	15.00	11.85	Final Report Issued
Adults						
GGWAS-H07/2018tel	Teleofal	10.00	0.00	10.00	0.88	Planned
Residential and Day						
5-GOF-CART1333/2018	Plas Maesincla, Caernarfon	12.00	0.00	12.00	12.27	Final Report Issued

Audit Code	Audit Name	Original Plan	Adjustment	Revised Plan	Actual Days	Audit Status
5-GOF-CART1338/2018	Plas Hafan, Nefyn	12.00	0.00	12.00	11.51	Final Report Issued
5-GOF-CART1339/2018	Plas Ogwen, Bethesda	12.00	0.00	12.00	12.08	Final Report Issued
GDARP-D07/2018	Housing Support	15.00	0.00	15.00		Planned
GDARP-D08/2018/tm	Tan y Marian	10.00	0.00	10.00	10.19	Final Report Issued
GDARP-D08/2018/yf	Y Frondeg	10.00	0.00	10.00		Planned
GGWAS-D11/2018	Adult Placement Scheme (Shared Lives Scheme)	15.00	0.00	15.00	1.73	Cancelled

CHILDREN AND FAMILY SUPPORT

Children and Families

5-GOF-X-PL/2018/001	Families First Grant	0.00	12.00	12.00	9.26	WP Created
5-GOF-X-PL/2018/002	Childcare Proposal Grant	0.00	12.00	12.00	7.86	WP Created
GGWAS-P05/2018	Arrangements for Children Leaving Care	20.00	0.00	20.00	1.24	Planned
GGWAS-PLANT8/2018	Care and Support Plans (Children) under Part 4 – Social Services and Wellbeing Act (Wales) 2014	20.00	0.00	20.00	0.88	Planned

HIGHWAYS AND MUNICIPAL

PGWAS-R-02/2018	Depots	15.00	0.00	15.00	3.72	WP Created
PBW-4/2018/001	Recycling Targets	10.00	0.00	10.00	4.86	WP Created
PBW-10/2018/002	Garden Waste Collection	15.00	0.00	15.00	15.49	Final Report Issued

HOUSING

Rent and Housing Management

T-TAI-T01/2018	Housing Waiting List	12.00	0.00	12.00	8.22	Field Work Started
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GWYNEDD CONSULTANCY

Buildings and Environmental

PYM01/2018	Employment Status	10.00	0.00	10.00	4.12	Field Work Started
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Across the department

PYMG-CON/2018	Accreditations	15.00	-15.00	0.00		Cancelled
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Agenda Item 9

MEETING:	Audit and Governance Committee
DATE:	30 November 2017
TITLE:	Revenue Budget 2017/18 – Second Quarter Review (September 2017)
PURPOSE:	Monitoring Report on the Latest Financial Position
ACTION:	Receive the information, consider the risks arising from the forecast expenditure against the budget, and scrutinise the Cabinet's decisions regarding budget management by the Council and its departments.
CONTACT OFFICER:	Dafydd L Edwards, Head of Finance
CABINET MEMBER:	Councillor Peredur Jenkins

1. In accordance with the requirements of the Local Government (Wales) Measure 2011, the Audit and Governance Committee is expected to scrutinise some financial matters including budget monitoring reports, as appropriate.
2. The attached report (Revenue Budget 2017/18 – Second Quarter Review) was submitted to the Cabinet on 21 November 2017.
3. The Chairman of the Audit and Governance Committee has asked us to present the Cabinet report to the Audit and Governance Committee, to be scrutinised together with the relevant decisions. It is intended to present the Cabinet's decisions "on the table" at the Audit and Governance Committee meeting.
4. The Audit and Governance Committee is requested to note the situation and the relevant risks regarding the budgets of the Council and its departments, consider the Cabinet's decisions and comment as necessary.

Appendix:

Revenue Budget 2017/18 – Second Quarter Review report (Cabinet 21/11/2017)

REPORT TO THE CABINET

21 November 2017

Cabinet Member: Councillor Peredur Jenkins, Finance Cabinet Member

Subject: Revenue Budget 2017/18 –
Second Quarter Review (September 2017)

Contact Officer: Dafydd L Edwards, Head of Finance

1. The decision sought

The Cabinet is requested to:

- Accept the report on the end of the second quarter review (30 September 2017 position) of the Revenue Budget, and consider the latest financial position in respect of all departments / service, and requesting the Cabinet Members and the heads of the relative departments to take appropriate steps in respect of the matters under their leadership/ management.
- With the approval of the Head of Environment Department, transfer (£282k) from the Environment Department to the Financial Strategy Reserve.
- With the approval of the Head of Corporate Support Department, transfer (£54k) from the Corporate Support Department to the Financial Strategy Reserve.
- That (£200k) from the favourable Council Tax receipts, (£800k) from the underspend on Council Tax Reduction, (£406k) savings realised early, (£444k) one-off underspend on bids and (£697k) from favourable conditions on other Council budgets, and transfer it to the Financial Strategy Reserve to assist with unavoidable one-off pressures on the Council's budgets.

2. Introduction / Background

It is the Cabinet's responsibility to take steps, as necessary, to ensure appropriate management over the Council's budgets (e.g. approving substantial transfers or additional budgets).

The first quarter review report was presented to the Cabinet on 18 July 2017. The report before you today is much more detailed.

This quarterly report is presented based upon the latest review of the Council revenue budget for 2017/18, and a summary of the position by Department is outlined in **Appendix 1**.

In **Appendix 2**, further details are given in respect of the main matters and budget headings where substantial variances are forecasted, together with specific recommendations where appropriate.

2.1 Adults, Health and Wellbeing Department

Overspend by the Provider services together with the failure to realise some savings are the main reasons for the Department overspend. The report by the Head of Department and the Cabinet Member to re-package their savings schemes in order that they are realised is still awaited.

2.2 Children and Families Department

The trend of overspending seen in the first quarter continues, with an overspend on placement and operational services.

2.3 Education Department

Additional pressure on school taxi transport, and also catering and cleaning, is responsible for the overspend. In the first quarter review, the Education Cabinet Member was requested to ensure that the Head of Education, in consultation with the Head of Environment, review the increase in spending on school taxis and take steps to manage the position, or to report on the situation. As the relative financial position has deteriorated, the Cabinet Member is requested to report on the matter directly to Cabinet.

2.4 Highways and Municipal Department

The overspending problems have deepened significantly during the quarter due to a combination of an income shortfall, slippage in realising savings, and increasing costs of handling and transport of recyclable materials. The Head of Department and the Cabinet Member are giving attention to the matters that are contributing to the financial position.

2.5 Environment Department

The Department's services are underspending as a result of savings from the proposed re-structuring, together with exceeding income targets. This favourable position this year enables the Department to transfer the underspend in excess of £100k to the Financial Strategy Reserve.

2.6 Corporate

There was an underspend from the collection of more Council Tax, less claims for Council Tax Reduction, savings realised early, bids that will not be used this year, and an underspend resulting from recent favourable circumstances. It is recommended that it is transferred to the Financial Strategy Reserve to assist with unavoidable one-off pressures on the Council's budgets.

3. General

On the whole, the second quarter review of the budgets reflect an acceptable level of financial management by a number of the Council's departments, but a combination of specific implementation steps is recommended for the Education Department, Adults Health and Wellbeing, Children and Families, and Highways and Municipal, to ensure management of their budgets by 31 March 2018.

4. Next steps and timetable

Implement the presented recommendations and present an updating report to Cabinet on 13 February 2018 on the third quarter review.

Local member's views

Not relevant

Opinion of the Statutory Officers

Monitoring Officer:

Nothing to add from a propriety perspective.

Head of Finance:

I have collaborated with the Cabinet Member in the preparation of this report and I confirm the content.

Appendices

Appendix 1 - Summary of each department's position

Appendix 2 - Budget details and substantial variances

Revenue Budget 2017/18 - Summary of position by Department

	Second Quarter Review				<i>First Quarter Review</i>
	Proposed Budget 2017/18 £'000	Gross Over / (Under) spend 2017/18 £ '000	Recommended Adjustments £'000	Adjusted Overspend / (Underspend) £ '000	
Adults, Health and Wellbeing	50,783	216	0	216	147
Children and Supporting Families	13,961	396	0	396	290
Education	89,927	264	0	264	358
Economy and Community	11,389	(33)	0	(33)	(26)
Highways and Municipal	23,362	600	0	600	149
Environment	8,015	(382)	282	(100)	(134)
Gwynedd Consultancy	1,108	35	0	35	85
Corporate Management Team and Legal	667	(71)	0	(71)	0
Finance (and Information Technology)	850	(68)	0	(68)	(40)
Corporate Support	357	(154)	54	(100)	(20)
Corporate Budgets <i>(Variances only)</i>	*	(2,912)	2,547	(365)	(380)
Totals (net)	200,419	(2,109)	2,883	774	429

Revenue Budget 2017/18 - Second Quarter Review						
Adults, Health and Wellbeing Department	Proposed Budget 2017/18	Estimated Final Position 2017/18	Estimated Overspend / (Underspend) 2017/18	Use of Other Sources or Other Recommended Adjustments	Adjusted Overspend / (Underspend)	Net Overspend / (Underspend) Quarter 1
Area:-	£'000	£'000	£'000	£'000	£'000	£'000
Adults Services						
Older Peoples Services						
Residential and Nursing - Homes	10,461	10,508	47	0	47	(316)
Home Care	6,223	6,017	(206)	0	(206)	126
Other	2,850	2,596	(254)	0	(254)	(147)
	19,534	19,121	(413)	0	(413)	(337)
Physical Disability Services						
Residential and Nursing	492	478	(14)	0	(14)	(20)
Home Care	998	1,067	69	0	69	90
Other	709	573	(136)	0	(136)	(100)
	2,199	2,118	(81)	0	(81)	(30)
Learning Disability Services	14,950	14,731	(219)	0	(219)	(228)
Mental Health Services						
Residential and Nursing	1,492	1,712	220	0	220	236
Other	1,983	1,888	(95)	0	(95)	(97)
	3,475	3,600	125	0	125	139
Other Services (Adults)						
Management	418	413	(5)	0	(5)	0
Older People and Physical Disability Team	2,378	2,408	30	0	30	0
	2,796	2,821	25	0	25	0
Adults Services Total	42,954	42,391	(563)	0	(563)	(456)

Revenue Budget 2017/18 - Second Quarter Review						
Adults, Health and Wellbeing Department	Proposed Budget 2017/18	Estimated Final Position 2017/18	Estimated Overspend / (Underspend) 2017/18	Use of Other Sources or Other Recommended Adjustments	Adjusted Overspend / (Underspend)	Net Overspend / (Underspend) Quarter 1
Area:-	£'000	£'000	£'000	£'000	£'000	£'000
<u>Provider Services (showing net budget)</u>						
Residential Care	9	193	184	0	184	75
Day Care	5	65	60	0	60	0
Community Care	2	333	331	0	331	200
Other	0	(66)	(66)	0	(66)	(10)
<u>Total Provider Services</u>	16	525	509	0	509	265
<u>Other Services</u>						
Housing Services	4,393	4,442	49	0	49	38
Departmental Central Services (including the Department's savings schemes)	3,420	3,641	221	0	221	300
<u>Total Other Services</u>	7,813	8,083	270	0	270	338
<u>Adults, Health and Wellbeing Total</u>	50,783	50,999	216	0	216	147

Adults, Health and Wellbeing

Older Peoples Services - a number of factors are responsible for the reduction in costs, which include a reduction in the packages where there is a need for two home carers.

Physical Disability Services - an underspend on direct payments and supported accommodation has assisted in reducing the overspend effect on home care.

Learning Disability Services - an underspend position is forecasted on residential and nursing, supported accommodation and day services, but an overspend on support packages, partly due to slippage with the savings schemes.

Mental Health Services - the trend continues with an overspend of £125k on residential and nursing, but an underspend on vacant jobs and receipt of a grant on other services somewhat mitigates the position.

Provider Services - a continuation of the overspend trend since 2016/17 due to additional staffing costs, with travelling costs also responsible for £108k of the overspend on community care.

Other Services - Central Services - the above forecasts reflect a risk that it will not be possible to realise £436k of savings, with a number of savings schemes having slipped from 2016/17. The report by the Head of Department and the Cabinet Member for Adults, Health and Wellbeing to re-package their savings schemes, in order that they are realised, is still awaited. Vacant jobs, additional grant and higher income reduces the overspend reported to £221k.

Revenue Budget 2017/18 - Second Quarter Review						
Children and Families Department	Proposed Budget 2017/18	Estimated Final Position 2017/18	Estimated Overspend / (Underspend) 2017/18	Use of Other Sources or Other Recommended Adjustments	Adjusted Overspend / (Underspend)	Net Overspend / (Underspend) Quarter 1
Area:-	£'000	£'000	£'000	£'000	£'000	£'000
Service Management	511	490	(21)	0	(21)	(10)
Operational Services	1,995	2,133	138	0	138	100
Placement Services						
Out of County Placements	1,947	2,160	213	0	213	20
Agency Fostering	928	1,042	114	0	114	205
Internal Fostering	1,675	1,706	31	0	31	75
Other Support services	1,573	1,616	43	0	43	30
	6,123	6,524	401	0	401	330
Post-16 Services	913	879	(34)	0	(34)	(75)
Specialist Services/Derwen	1,565	1,608	43	0	43	5
Youth Justice Services	234	203	(31)	0	(31)	(25)
Early Years Services	126	72	(54)	0	(54)	(35)
Other Services	2,494	2,448	(46)	0	(46)	0
Children and Families Total	13,961	14,357	396	0	396	290

Children and Families

Operational Services - an overspend of £138k is forecasted, although the Department budget has been increased in 2017/18. The overspend continues as a result of an increase in the number of children in care but not in fostering placements, together with an overspend on staff costs.

Placement Services - an overspend of £213k on out of county placements and £114k on agency fostering. One new case and one package which has accentuate are responsible for the out of county increase, whilst there were five new internal fostering cases at the beginning of the year, but three cases have now ended. The pressure from the number of cases and failure to realise savings targets have also led to the overspend.

Early Years Services - it is forecasted there will be an underspend of (£54k) following receipt of a new child care grant.

It is requested that the Cabinet Member for Children and Youth and the Head of Department ensure that decisive steps are taken to reduce the overspend and ensure that the budget is under control by year end.

Revenue Budget 2017/18 - Second Quarter Review						
Education Department	Proposed Budget 2017/18	Estimated Final Position 2017/18	Estimated Overspend / (Underspend) 2017/18	Use of Other Sources or Other Recommended Adjustments	Adjusted Overspend / (Underspend)	Net Overspend / (Underspend) Quarter 1
Area:-	£'000	£'000	£'000	£'000	£'000	£'000
Delegated Schools	73,208	73,208	0	0	0	0
Transport	4,246	4,510	264	0	264	200
Redundancy and Early Retirement	358	364	6	0	6	0
Out of County	953	953	0	0	0	0
Catering and Cleaning	294	440	146	0	146	95
Nursery Education	600	596	(4)	0	(4)	0
School Improvement Grant	564	524	(40)	0	(40)	(40)
Management	1,569	1,503	(66)	0	(66)	(41)
Additional Learning Needs and Inclusion	3,053	3,067	14	0	14	190
Further Education	24	17	(7)	0	(7)	0
Education Contribution to Joint-Committees	1,202	1,168	(34)	0	(34)	(23)
Other	3,856	3,841	(15)	0	(15)	(23)
Education Total	89,927	90,191	264	0	264	358

Education

The latest forecasts suggest a reduction in the overspend to £264k, compared to £358k reported in the first quarter. The main areas contributing to this position are:

Transport - the overspend trend continues since the first quarter review, and has by now increased to £264k, with a shortfall of £50k on the sale of post-16 transport tickets, an underspend of (£17k) on school buses, but a £230k overspend on school taxi transport following an increase in requests since establishing the budget. In the first quarter review, the Education Cabinet Member was requested to ensure that the Head of Education, in consultation with the Head of Environment, review the increase in spending on school taxis and take steps to manage the position or to report on the situation. As the relative financial position has deteriorated, the Cabinet Member is requested to report on the matter directly to Cabinet.

Catering and Cleaning - a £146k overspend is forecasted, mainly due to costs emanating from illness and staffing matters, together with loss of a grant and the delay in realising the savings from the Free Breakfast scheme.

Management - an underspend of (£66k) as a result of staff turnover.

Revenue Budget 2017/18 - Second Quarter Review						
Economy and Community Department	Proposed Budget 2017/18	Estimated Final Position 2017/18	Estimated Overspend / (Underspend) 2017/18	Use of Other Sources or Other Recommended Adjustments	Adjusted Overspend / (Underspend)	Net Overspend / (Underspend) Quarter 1
Area:-	£'000	£'000	£'000	£'000	£'000	£'000
Management	875	875	0	0	0	0
Community Learning	3,458	3,418	(40)	0	(40)	(3)
Tourism and Heritage	1,434	1,446	12	0	12	5
Economy and Community	2,117	2,113	(4)	0	(4)	0
Healthy Communities	3,505	3,504	(1)	0	(1)	(28)
<u>Economy and Community Total</u>	11,389	11,356	(33)	0	(33)	(26)

Economy and Community

The latest forecasts suggest an underspend of (£33k) by the year end by the Economy Department. Within this position, it is forecasted that some services will overspend, including Marine, Galleries and Musuems, but balanced by an underspend in other areas such as Country Parks, Business Support and Halls.

Community Learning - and underspend of (£40k) is envisaged, which is a combination of an underspend of (£20k) on the Youth Service, as there is a reduction in the youth club provision, and (£20k) on Community Regeneration due to staff turnover.

Revenue Budget 2017/18 - Second Quarter Review						
Highways and Municipal Department (including Trunk Roads Agency)	Proposed Budget 2017/18	Estimated Final Position 2017/18	Estimated Overspend / (Underspend) 2017/18	Use of Other Sources or Other Recommended Adjustments	Adjusted Overspend / (Underspend)	Net Overspend / (Underspend) Quarter 1
Area:-	£'000	£'000	£'000	£'000	£'000	£'000
Highways Services (including Trunk Roads)	9,938	10,213	275	0	275	71
Engineering Services	401	490	89	0	89	13
Municipal Services						
Waste	9,324	9,537	213	0	213	48
Other	3,713	3,762	49	0	49	17
Municipal Provider Units	(14)	(40)	(26)	0	(26)	0
<u>Highways and Municipal Total (including Trunk Roads Agency)</u>	23,362	23,962	600	0	600	149

Highways and Municipal (including Trunk Roads Agency)

Highways Services - forecasts suggest that income from external contracts will be less than the target, together with slippage on Highways and Lighting savings.

Engineering Services - a combination of failure to realise savings schemes, staffing matters and loss of an external contract are responsible for the overspend of £89k forecasted.

Waste - a number of matters responsible for the overspend, including lack of income, increasing recycled material handling and transport costs.

In the first quarter review, it was reported there was an expectation that the Highways and Municipal Cabinet Member and the Head of Department would take decisive steps during the year to ensure they operated within the budget. As the financial position has deteriorated considerably, it is therefore requested that the Cabinet Member reports on the matter directly to Cabinet.

Revenue Budget 2017/18 - Second Quarter Review						
Environment Department	Proposed Budget 2017/18	Estimated Final Position 2017/18	Estimated Overspend / (Underspend) 2017/18	Use of Other Sources or Other Recommended Adjustments	Adjusted Overspend / (Underspend)	Net Overspend / (Underspend) Quarter 1
Area:-	£'000	£'000	£'000	£'000	£'000	£'000
Department Management	539	526	(13)	0	(13)	0
Planning Services						
Development Control	372	351	(21)	0	(21)	0
Other	(39)	(54)	(15)	0	(15)	0
	333	297	(36)	0	(36)	0
Street Works and Transport Services						
Forward Planning	2,439	2,439	0	0	0	0
Road Safety	255	222	(33)	0	(33)	0
Traffic and Statutory Arrangenets	567	504	(63)	0	(63)	0
Parking and Parking Enforcement	(1,429)	(1,428)	1	0	1	(134)
Integrated Transport	2,069	1,934	(135)	0	(135)	0
Enforcement and Traffic	175	131	(44)	0	(44)	0
	4,076	3,802	(274)	0	(274)	(134)
Countryside and Access Services	999	1,020	21	0	21	0
Joint Planning Policy Unit	288	288	0	0	0	0
Public Protection Services	1,745	1,675	(70)	0	(70)	0
Catering, Cleaning and Caretakers	3	2	(1)	0	(1)	0
Property	32	23	(9)	0	(9)	0
Budget Harvesting				282	282	0
Environment Total	8,015	7,633	(382)	282	(100)	(134)

Environment

Street Works and Transport Services - a one-off underspend of (£274k) is forecasted which is a combination of a number of vacant posts as part of the proposed re-structuring together with exceeding the income target.

Public Protection - income in excess of budget mainly responsible for the underspend (£70k) forecasted, with various underspends on service running costs also responsible for the favourable financial position.

As a result of the promising one-off forecast this year by the Department, it is suggested that (£282k) of the underspend that is in excess of (£100k) should be released for the Council purposes.

It is recommended, with the approval of the Head of Environment Department, that (£282k) from the Environment Department is transferred to the Financial Strategy Reserve.

Revenue Budget 2017/18 - Second Quarter Review						
Consultancy Department	Proposed Budget 2017/18	Estimated Final Position 2017/18	Estimated Overspend / (Underspend) 2017/18	Use of Other Sources or Other Recommended Adjustments	Adjusted Overspend / (Underspend)	Net Overspend / (Underspend) Quarter 1
Area:-	£'000	£'000	£'000	£'000	£'000	£'000
Roads and Engineering Services	(66)	(106)	(40)	0	(40)	10
Building Services	39	109	70	0	70	73
Flood Risk Management Unit Services	935	935	0	0	0	0
Building Control	200	205	5	0	5	2
Consultancy Total	1,108	1,143	35	0	35	85

Consultancy

Roads and Engineering Services - the latest forecasts suggest an underspend of (£40k) following the Department's success in attracting additional income through a combination of internal and external work.

Building Services - the service continues to tender for work from external establishments to attract income, but based upon the current position, a shortfall of income of £70k is forecasted by the end of the year, which is £30k better than this period last year.

Revenue Budget 2017/18 - Second Quarter Review						
Central Departments	Proposed Budget 2017/18	Estimated Final Position 2017/18	Estimated Overspend / (Underspend) 2017/18	Use of Other Sources or Other Recommended Adjustments	Adjusted Overspend / (Underspend)	Net Overspend / (Underspend) Quarter 1
Area:-	£'000	£'000	£'000	£'000	£'000	£'000
Corporate Management Team and Legal	667	596	(71)	0	(71)	0
Finance	850	782	(68)	0	(68)	(40)
Corporate Support	357	203	(154)	54	(100)	(20)
Central Departments Total	1,874	1,581	(293)	54	(239)	(60)

Central Departments

Corporate Management Team and Legal - a forecasted underspend of (£71k) with (£52k) of this from receipt of additional income by the Legal Unit, and (£9k) of savings realised early and (£9k) within Emergency Planning.

Finance (and Information Technology) - one-off underspend on staff costs within the Department continues, together with attracting income in excess of the budget.

Corporate Support - an increase in the underspend forecasted to (£154k), which is a combination of one-off staffing savings as a result of staff turnover and the success of the department in attracting external income in excess of the budget in numerous areas. As the level of the forecasted underspend is in excess of (£100k), it is recommended that (£54k) is harvested from the favourable position forecasted to assist with the changes facing us as a Council.

It is recommended, with the approval of the Head of Corporate Support Department, that the underspend of (£54k) by Corporate Support is transferred to the Financial Strategy Reserve.

Revenue Budget 2017/18 - Second Quarter Review						
Corporate (Only reflects headings where an overspend/(underspend) position is forecasted)	Proposed Budget 2017/18	Estimated Final Position 2017/18	Estimated Overspend / (Underspend) 2017/18	Use of Other Sources or Other Recommended Adjustments	Adjusted Overspend / (Underspend)	Net Overspend / (Underspend) Quarter 1
Area:-	£'000	£'000	£'000	£'000	£'000	£'000
Council Tax	*	*	(200)	200	0	(380)
Council Tax Reduction	*	*	(800)	800	0	0
Net Interest Receipts	*	*	(7)		(7)	0
Savings Realised Early	*	*	(406)	406	0	0
Bids returned by Departments	*	*	(444)	444	0	0
Other	*	*	(1,055)	697	(358)	0
Corporate Total	*	*	(2,912)	2,547	(365)	(380)

Corporate

A favourable position is forecasted from the higher level of Council Tax (£200k) as a result of a reduction in the number of exemptions to reduce Council Tax, including single person discounts. An underspend of (£800k) on the Council Tax Reduction scheme, with a reduction in the number of applications, a trend also seen by other North Wales Councils. Various savings realised early were (£406k), and (£444k) of bids that will not be used this year, mainly (£317k) in Adults, Health and Wellbeing, were released.

The latest projection suggests it will be possible to release £697k as a result of a change in legislation/grant after setting the budget, including an increase in the cap on fees in the elderly care field (£198k), receipt of a grant from the Welsh Government means it will be possible to release the adult demography budget (£300k) and the land charges litigation budget (£50k).

It is recommended to harvest (£200k) from the favourable Council Tax receipts, (£800k) from the underspend on Council Tax Reduction, (£406k) savings realised early, (£444k) one-off underspend on bids and (£697k) from favourable conditions on other Council budgets, with these being transferred to the Financial Strategy Reserve to assist with unavoidable one-off pressures on the Council's budgets.

MEETING: Audit and Governance Committee

DATE: 30 November 2017

TITLE: Capital Programme 2017/18 –
Second Quarter Review (September 2017)

PURPOSE: Monitoring Report on the Expenditure and Financing
of the Capital Programme

ACTION: Receive the information, consider the risks regarding
the Capital Programme, and scrutinise the Cabinet’s
decisions

CONTACT OFFICER: Dafydd L Edwards, Head of Finance

CABINET MEMBER: Councillor Peredur Jenkins

1. In accordance with the requirements of the Local Government (Wales) Measure 2011, the Audit and Governance Committee is expected to scrutinise some financial matters including budget monitoring reports, as appropriate.
2. The attached report (capital programme’s second quarter review) was presented to the Cabinet on 21 November 2017 for decisions regarding the revised programme and its financing.
3. The Chairman of the Audit and Governance Committee has asked us to present the attached Cabinet report to the Audit and Governance Committee, to be scrutinised together with the relevant decisions. It is intended to present the Cabinet’s decisions “on the table” at the Audit and Governance Committee meeting.
4. The Audit and Governance Committee is asked to note the position and any risks regarding the Council’s capital programme, scrutinise the Cabinet’s decisions, and comment as necessary.

Appendix:

Capital Programme 2017/18 - Second Quarter Review report (Cabinet 21/11/2017)

REPORT TO THE CABINET

21 November 2017

Cabinet Member: Councillor Peredur Jenkins - Finance Cabinet Member

Subject: Capital Programme 2017/18 –
Second Quarter Review (30 September 2017 position)

Contact Officer: Dafydd L Edwards - Head of Finance

The decision sought / Purpose of the report

To accept the report on the second quarter review (30 September 2017 position) of the capital programme, and approve the revised financing as shown in part 4 of the report, that is:

- £1,121,000 increase in the use of borrowing
 - (£389,000) decrease in the use of grants and contributions
 - £78,000 increase in the use of capital receipts
 - £118,000 increase in the use of revenue contributions
 - (£663,000) decrease in the use of renewal and other reserves
 - (£48,000) decrease in the use of the capital reserve
-

1. Introduction / Summary

This technical report is presented as part of the 2017/18 budget monitoring procedure. The main purpose of the report is to present the revised capital programme and to approve the relevant financing sources. There is a summary in parts 3 and 4 of the report, with the recommendation in part 5:

Part 3: Analysis by Department of the £46.942m capital programme for the 3 years 2017/18 – 2019/20.

Part 4: The sources of finance for the net increase of approximately £0.217m since the previous review.

The Cabinet has the authority to adapt the capital programme. Approval is sought for the programme (part 3) and financing (part 4).

The remainder of the report is for information:

- Appendix A: Main changes per source of finance
- Appendix B: Movement from 2017/18 to 2018/19
- Appendix C: First 6 months expenditure in 2017/18

2. Main Findings:

The main conclusions that arise from the revised position are:

- There are firm schemes in place to invest approximately £33.4m in 2017/18, with £5.4m of it being financed by attracting specific grants.

3. CAPITAL PROGRAMME 2017/18 to 2019/20

See below the revised proposed capital programme.

DEPARTMENT	END OF SEPTEMBER REVIEW				INCREASE/ (DECREASE) SINCE THE OPENING BUDGET £'000
	2017/18	2018/19	2019/20	TOTAL	
	£'000	£'000	£'000	£'000	
Education	13,029	399	-	13,428	(84)
Environment	7,215	3,187	-	10,402	103
Corporate Support	143	9	-	152	21
Finance (and Information Technology)	547	709	-	1,256	-
Economy and Community	1,061	10	200	1,271	379
Adults, Health and Wellbeing - Housing Unit	3,063	3,607	-	6,670	9
Adults, Health and Wellbeing - Other	947	-	-	947	449
Children and Families	157	-	-	157	88
Highways and Municipal	6,957	2,460	2,406	11,823	(748)
Consultancy	27	17	-	44	-
Corporate	222	570	-	792	-
TOTAL	33,368	10,968	2,606	46,942	217

4. CHANGES TO THE SOURCES OF FINANCE

The budget for the three year programme shows an increase of £0.217m since the first quarter review position. The proposed sources of financing for this are noted below:

SOURCE OF FINANCE	END OF SEPTEMBER REVIEW				INCREASE/ (DECREASE) SINCE THE OPENING BUDGET £'000
	2017/18	2018/19	2019/20	TOTAL	
	£'000	£'000	£'000	£'000	
Supported Borrowing	6,675	6,399	-	13,074	-
Other Borrowing	8,526	415	992	9,933	1,121
Grants and Contributions	5,441	750	200	6,391	(389)
Capital Receipts	1,206	196	-	1,402	78
Departmental & Corporate Revenue	2,285	-	-	2,285	118
Capital Fund	1,116	1,290	-	2,406	(48)
Renewals & Other Funds	8,119	1,918	1,414	11,451	(663)
TOTAL	33,368	10,968	2,606	46,942	217

Please note: the increase in 'other borrowing' does not create an additional commitment against the Council's revenue budgets. The support for this borrowing has already been provided for by the Welsh Government (see Appendix A for further details).

5. RECOMMENDATION

The Cabinet is asked to:

- accept the 2017/18 to 2019/20 revised programme and
- approve the relevant sources of finance (para. 4 above).

6. Reasons for recommending the decision

It is necessary to ensure appropriate financing arrangements for the Council's plans to spend on capital, and the Cabinet must approve the capital programme and its sources of funding.

Incorporating funding via grant is a point of order, but it is also necessary to deal with situations where there has been a change in expenditure profiles between years and the value of capital receipts and contributions.

These are recommendations to ensure definite sources of funding for the 2017/18 – 2019/20 capital schemes.

7. Relevant considerations

These are technical issues regarding the financing of schemes and relevant implications and debates have already been addressed when the individual schemes were adopted.

8. Next steps and timetable

To implement the recommendations to finance the programme.

View of the Local Member

Not relevant.

Views of the Statutory Officers

Monitoring Officer:

Nothing to add from a propriety perspective.

Head of Finance:

I have collaborated with the Cabinet Member in the preparation of this report and I confirm the content.

Appendix

Appendices A, B and C.

MAIN CHANGES PER SOURCE OF FINANCING:

See below the relevant schemes that have caused the main changes to the sources of finance during the last quarter:

	2017/18 £'000	2018/19 £,000
Other Borrowing		
<ul style="list-style-type: none"> 21st Century Schools (Education Department) – an increase in borrowing due to a technical adjustment to the source of financing to reduce the level of grant and increase the level of supported borrowing following an instruction received annually from the Welsh Government (see also Grants and Contributions below). This technical adjustment to the financing will not impact on the schemes at all, and the Welsh Government will still finance 50% of the cost. 	1,241	
Grants and Contributions		
<ul style="list-style-type: none"> 21st Century Schools (Education Department) – a reduction in the level of grant, see Other Borrowing above for details. 	(1,241)	
<ul style="list-style-type: none"> Development of Llys Cadfan (Adults, Health and Wellbeing department) - a grant received from the Welsh Government for adaptations to Llys Cadfan care home to admit dementia and specialised care beds. 	400	
<ul style="list-style-type: none"> Caernarfon Town and Waterfront Regeneration Scheme (Economy and Community Department) – additional grant from the Welsh Government towards the Vibrant and Viable Places framework 	336	
Capital Receipts		
<ul style="list-style-type: none"> Various minor schemes 	78	
Departmental Revenue		
<ul style="list-style-type: none"> Various minor schemes 	118	
Capital Reserve		
<ul style="list-style-type: none"> Various minor schemes 	(48)	
Renewals and Other Funds		
<ul style="list-style-type: none"> Recycling Vehicles' Renewal Scheme (Highways and Municipal Department) – the price for purchasing 5 vehicles in 17/18 was better than expected, and 3 vehicles were renewed last year instead of in 18/19 as scheduled. 	(229)	(565)

Budget Re-profiling – Main Schemes:

See below the main schemes that have been re-profiled since the original budget:

	2017/18 £'000	2018/19 £'000
Housing Grant Schemes (Adults, Health and Wellbeing Department – Housing Unit)	(758)	758
Computer Renewal Schemes (Finance and Information Technology Department)	(360)	360
Resurfacing of car parks (Environment Department)	(219)	219
Bro Llifon School (Education Department)	(122)	122

Note:

The above re-profiling will not result in any loss in grant.

There is a variety of valid reasons behind the re-profiling in many cases, but the delay prior to implementing these schemes can mean that the services have to cope for longer with current assets which have not been improved.

APPENDIX C**Capital Expenditure First 6 Months 2017/18**

SUMMARY	CAPITAL PROGRAMME FULL YEAR (reviewed September)	ACTUAL EXPENDITURE FOR THE 6 MONTHS TO
	2017/18 £'000	30/09/2017 £'000
Education	13,029	4,335
Environment	7,215	2,059
Corporate Support	143	6
Finance (and Information Technology)	547	326
Economy and Community	1,061	317
Adults, Health and Wellbeing - Housing Unit	3,063	616
Adults, Health and Wellbeing - Other	947	388
Children and Families	157	33
Highways and Municipal	6,957	1,592
Consultancy	27	-
Corporate	222	-
TOTAL	33,368	9,672

Note: The percentage that has been spent this year (29%) is comparably lower than the position this time last year (36%).

MEETING	AUDIT AND GOVERNANCE COMMITTEE
DATE	30 November 2017
TITLE	Recommendations and Improvement Proposals of External Audit Reports
PURPOSE	Ensure that the Audit Committee satisfies itself that the action steps created in response to the recommendations of the external audit reports are implemented.
AUTHOR	Geraint Owen, Head of Corporate Support Department
CABINET MEMBER	Councillor Mair Rowlands

1 The decision sought/purpose of the report

- 1.1 The Committee will need to satisfy itself that appropriate arrangements are in place in order to ensure that improvement proposals which arise from external audit reports are implemented.

2 Introduction

- 2.1 The Audit and Governance Committee is responsible for considering external audit reports (national, and local to Gwynedd), the recommendations contained in them, and the implications of these to governance, managing risk or management.
- 2.2 The role of the Audit and Governance Committee in this matter is to satisfy itself that arrangements and processes are underway to ensure that these improvement proposals are implemented, and the Committee should not repeat an investigation into matters that are within the work field of one of the other scrutiny committees. However, if the Committee is not of the opinion that the arrangements - including the operation of one of the Scrutiny Committees - are adequate, it may call any matter in for further consideration, either to the full committee or to the Controls Improvement Working Group.

3 Relevant Considerations

- 3.1.0 A chronological list of the inspections undertaken by external auditors between 2012/13 and 2016/17 is presented in **Appendix 1** together with their improvement proposals, and the progress made by the Council against those proposals.
- 3.1.1 The improvement proposals against which progress had not been completed by December 2016, namely the date when the Audit Committee last considered this matter, are noted. In accordance with the wish of the Committee at its meeting on 1 December 2016, the Appendix also includes improvement proposals which arise from historical reports but which have not been completed. Sometimes, it is possible that more recommendations arose from these reports originally, but this committee has already determined that it is satisfied that adequate arrangements are in place to respond to them. To prevent duplication, the recommendations which have been responded to

have not been noted in Appendix 1.

3.1.2 Appendix 1 also notes additional improvement proposals which arise from reports which have come to the Council's attention since November 2016.

3.1.3 A follow-up from the previous report - Clarity and further information is provided on the following matters identified at the Audit Committee on 1 December 2016.

Item 5(iii) from the Minutes - 'to ask for a response from the Children and Supporting Families Department in relation to the timeliness of looked-after children's reviews'

Action -

Item 5(iv) from the Minutes - 'refer Deprivation of Liberty Safeguards (DoLS) Arrangements to the Services Scrutiny Committee for consideration'

Action - The matter will be addressed at the Care Scrutiny Committee

4 Reasons for recommending the decision

4.1 The Audit and Governance Committee needs to ensure correct governance within the Council by having an overview of how we will respond to improvement proposals in external audit reports.

5 Next steps and timetable

5.1 The work of responding to the majority of the improvement proposals is continuous work. If the committee agrees with the findings regarding the progress made against the improvement proposals, the "completed" ones will not be submitted to this Committee again. The ones which are "underway" will come back to this Committee for further consideration in approximately 6 months' time.

6 List of Appendices/Bibliography

Appendix 1 - Improvement Proposals in External Audit Reports 2013-2017

1. Annual Performance Appraisal of the Care and Social Services Inspectorate for Wales (CSSIW) 2012/13 - Local report to Gwynedd published October 2013

Improvement Proposals arising from the report –

1. Ensure corporate support for looked after children, in particular in the education planning field.

Progress against improvement proposals

The Gwynedd Council Corporate Parenting Strategy was accepted at a meeting of the Corporate Parent Panel on 23 October 2017. The members of the Panel include the Council Leader, the Chief Executive, Cabinet Member for Children and Supporting Families and the Statutory Director. Agreement was reached on which specific fields will receive the panel's attention over the next period with education being one of the priorities.

Conclusion

Based on what is noted above, the Audit and Governance Committee is asked to agree that the improvement proposal is noted as "completed", and that the proposal will not be discussed by this Committee again.

2. Good Scrutiny? Good Question - National Report by the Wales Audit Office published May 2014

Improvement Proposals arising from the report –

1. Explain the roles of executive members and senior officers when contributing to the scrutiny process.
2. Ensure that scrutiny members, specifically scrutiny chairs, receive training and assistance in order to ensure that they possess all skills required to conduct effective scrutiny work.
3. Develop scrutiny forward planning processes further in order to:
 - Provide clear logic for selecting subjects
 - Focus more on outcomes
 - Ensure that the most suitable scrutiny method for the subject field and the desired outcome is used.
4. Reconcile scrutiny programmes and performance management, self-evaluation and Council improvement arrangements.

5. Ensure that the impact of scrutiny can be appraised appropriately and that it is implemented in order to improve the function's effectiveness; including conducting follow-up work on proposed actions and auditing results.
6. Carry out regular self-evaluations of scrutiny arrangements by using the 'effective outcomes and features of effective overview and scrutiny arrangements for local government' developed by the Wales Scrutiny Officers Network.

Progress against improvement proposals

Following the publishing of the above-mentioned report we commenced a comprehensive process of self-evaluating our scrutiny arrangements, and learnt from others. This work resulted in several models of new scrutiny structures for the Council to consider. The amended scrutiny arrangements were adopted at its meeting on 2 March 2017, and would come into force after the election of the new Council in May.

A series of training courses were held in February 2017 and again in September for members of all Scrutiny Committees (including the Audit and Governance Committee) on chairing skills and questioning skills in order to scrutinise effectively. Two meetings of the Scrutiny Forum have been held since the new procedure was adopted with the Scrutiny Forum exercising its main role of ensuring that the correct matters are scrutinised and investigated across the Council. A part of the Scrutiny Forum's annual work programme will be to conduct continuous self-review of scrutiny arrangements and the process of prioritising matters to be scrutinised. In 2016/17 a pilot commenced where two members of the Scrutiny Committee sit in on internal performance review meetings where the Cabinet Members challenge the performance of the service they are responsible for. This process has now been formalised since May 2017. This has strengthened the relationship between the Cabinet and the Scrutiny Committees and has led to identifying matters to be included on the 'Scrutiny *Gwyntyllu* Procedure Log' (which in turn could be matters being officially scrutinised).

Conclusion

We propose that processes are in place to respond to each of the above-mentioned recommendations; however, it is premature to measure their impact at the moment. Wales Audit Office, as part of a national audit, are coming here in November to attempt to assess the success and progress made with scrutiny in Gwynedd.

Based on what is noted above, the Audit and Governance Committee is asked to agree that each improvement proposal is noted as being "in progress".

**3. Annual Performance Appraisal of the Care and Social Services
Inspectorate for Wales (CSSIW) 2013/14 - Local report to Gwynedd
published October 2014**

Improvement Proposals arising from the report -

1. There is a need to improve the percentage of initial assessments being completed in seven days' time; in 2013/14 the Council managed to complete 67% of initial assessments in seven working days, compared to an average percentage of 72% in Wales.
2. A reduction was seen in the percentage of children being re-referred from 39% in 2011/12 to 26.6% in 2013/14; however, this percentage remains higher than the average percentage in Wales and it is a field where continuous improvement is required.
3. The national review of LAC identified the need to develop opportunities for looked after children to take advantage of basic health services and moving on accommodation. As part of their corporate parenting responsibilities, the Council should ensure that it is possible for the children in its care to use basic health care.
The performance for registering with a GP within 10 days was seen to reduce from 92.5% in 2012/13 to 78.4% in 2013/14. Although the percentage of the health assessments of looked after children has improved from 15% to 46%, it continues to be much lower than the average percentage for Wales, namely 81%.
4. The Council has reduced the number of looked after children from 203 in 2012/13 to 185 in 2013/14. It has secured substantial improvement in its performance in terms of the timeliness of conducting reviews of LAC care plans, with 94.3% being carried out within statutory time-scales, compared with 75.4% in 2012/13. However, this continues to be lower than the average percentage in Wales (95.9%).
5. Quality assurance - Adults, Health and Well-being Department:
The Council's ability to report on performance in a detailed manner has continued to improve. The risk assessment arrangements in the service have improved by regularly utilising a risk register and updating it. The Council has not established a corporate quality assurance system. It intends to do this in 2014-15. The need to improve quality assurance arrangements was highlighted by the CSSIW in the annual appraisal report of last year. In addition, it is a field to be improved in the national surveys recently held and in the adoption inspection report. The Council will introduce a cross-cutting safeguarding children and adults quality assurance team.
6. Quality assurance - Children and Supporting Families Department:
The Council's ability to report on performance in a detailed manner has continued to improve. The risk assessment arrangements in the service have improved by regularly utilising a risk register and updating it. The Council has not

established a corporate quality assurance system. It intends to do this in 2014-15. The need to improve quality assurance arrangements was highlighted by the CSSIW in the annual appraisal report of last year. In addition, it is a field to be improved in the national reviews recently held and in the adoption inspection report. The Council will introduce a cross-cutting safeguarding children and adults quality assurance team.

7. The Council has taken positive steps in terms of its corporate parenting arrangements; however these now need to be developed further. The corporate parenting panel worked with looked after children during 2014/15 to provide an outline of the action steps that the Council will have to take in order to assist looked after children. Members will need to provide more assistance to ensure that the strategic aims are owned in an effective manner and translated into actions across the Council's services and partner agencies; and ensure appropriate health care, more educational assistance and temporary employment in the Council for looked after children.

Progress against improvement proposals

In order to respond to improvement proposal 1 above, the Department has appointed one additional Social Worker post in the Referrals Team. Now, a senior worker approves the assessments in order to improve the 7 day performance, and regular reports are created to remind the manager of cases that need to be closed. Since the establishment of the Social Services and Well-being (Wales) Act (2014) that became a statutory requirement in April 2016, this requirement/measure does not exist and initial assessments do not exist. Consequently, the indicator has been removed from the national suite.

The Children and Supporting People Department is monitoring the situation described in improvement proposal 2 closely in order to ensure and maintain the continuous improvement. The Children and Supporting People Department's systems now differentiate between referrals and notices - this was not the case in the past. This performance measure was deleted in 16/17 and therefore we do not collect the data due to other priorities.

The Children and Supporting People Department is monitoring the situation described in improvement proposal 3 closely. Discussions are continuing with BCUHB to ensure that health assessment implementation arrangements are reviewed in a timely manner. The development of work in this field is reported upon regularly to the Corporate Parenting Panel. We are continuing to discuss with the Health Board in an attempt to ensure that there is continuous improvement in the health assessments carried out in a timely manner for looked after children. The performance of 16/17 was 68% compared with 60% in 15/16 and 50% in 14/15. The service continues to hold discussions in order to increase the percentage. 86% of looked after children are registered with a GP within 10 working days, which is progress against the historical performance.

The Children and Supporting People Department is monitoring the situation described in improvement proposal 4 closely. The Children and Families Service to receive reasons from the Independent Review Child Protection Coordinator for each late conference and act as appropriate.

Substantial progress has been made over a period of years in the number of reviews being carried out - from 459 in 11/12 to 674 in 16/17. The unit's resources have continued on the same level despite the increase, nevertheless, the performance in respect of the timeliness of statutory reviews is 91%. We capture information on the reasons why some reviews are held late and we report on this during the performance management cycle.

Conclusion

Based on what is noted above, the Audit and Governance Committee is asked to agree that improvement proposals 1 and 2 are noted as "completed", and improvement proposals 3, 4, 5, 6 and 7 as "in progress".

4. **Gwynedd Council Local Authorities Safeguarding Children Arrangements** - Local report for Gwynedd from the Wales Audit Office published in October 2014

Improvement Proposals arising from the report -

1. Review the requirements under the Children Act 2004 for the Local Authorities' Designated Child Protection Officer in order to ensure that the Council complies in full with the legislation.

Progress against improvement proposal

In response to the improvement proposal the Children and Supporting Families Department submitted a proposal to the Cabinet on 16 December 2016 and the report was discussed with the relevant officers to seek to identify potential actions. The proposal was then submitted to the Safeguarding Children and Vulnerable Adults Strategic Panel (29 September 2015) in order to see whether any other action in was required. There was an issue in terms of the vagueness of the recommendation and the Department contacted the Wales Audit Office to discuss what exactly they had in mind.

The Wales Audit Office's response to the enquiry was received on 4 July 2016. In accordance with the concern raised by us, the Wales Audit Office acknowledged that their use of 'LADO' was incorrect and misleading as it referred to England rather than Wales. They acknowledged that Gwynedd's use of 'designated officer' in departments also made the corporate result of 68% difficult to guarantee and this coincided with the intentions of their enquiry about the LADO officer. The Wales Audit Office confirmed that they wished to ensure that staff knew whom they should

approach to report child abuse as 32% of the staff suggested that they did not know who to approach at the time.

After the Council invested resources in promoting and training to provide guidance to staff on their safeguarding and referral responsibilities, the situation saw considerable improvement. By 2016, WAO did not require a response from the Department, but wished to leave the matter for their attention. The Department is of the opinion that the recent work coincides with the original enquiry of the Wales Audit Office.

Conclusion

Based on what is noted above, the Audit and Governance Committee is asked to agree that the improvement proposal is noted as "completed".

5. Delivering with Less - the impact on environmental health services and citizens - National Report by the Wales Audit Office published October 2014

Improvement Proposals arising from the report -

1. Amend the best practice standards in order to:
 - reconcile work in the environmental health field,
 - note the more extensive contribution of environmental health towards achieving the strategic priorities of Welsh Government,
 - note the benefits and impacts of environmental health services in terms of safeguarding citizens.

2. Engage better with local residents regarding plans to cut budgets and change services by:
 - consulting with residents on the proposed changes in services and use the findings to drive decisions;
 - outline which services will be cut and how these cuts will affect residents, and
 - note plans to increase payments to change service standards.

3. Improve efficiency and value for money by:
 - Noting the statutory and non-statutory duties of Councils' environmental health services
 - Agreeing on environmental health priorities for the future and the role of councils when delivering these
 - Determining an 'acceptable standard of performance' for environmental health services (maximum and minimum) and publicise them amongst citizens
 - Improving efficiency and maintaining performance on the agreed level by doing the following

- Collaborating and/or integrate with others in order to reduce costs and/or improve quality
 - Awarding services on external contracts where they can be provided in a more cost-effective way in accordance with the standards agreed upon
 - Introducing and/or increasing payments and focusing on activities that generate income
 - Using grants in a strategic way in order to ensure the greatest impact and profit
 - Reducing activities in order to focus on core statutory and strategic priorities.
4. Improve strategic planning work by:
- noting, gathering and analysing financial data, data on performance and data on demand/need in relation to environmental health services;
 - analysing the data gathered in order to drive and understand the relationship between 'cost:benefit:impact' and use this information as grounds to decisions on Councils' health services in the future;
 - agreeing how digital information can be used to plan and develop environmental health services in the future.

Progress against improvement proposals

In order to respond to improvement proposal 1 above, the Department notes that it aims to achieve the basic practice standards, although this is not easy due to financial constraints.

The Environment Department has shared information with citizens and elected Members as part of the Gwynedd Challenge process. Reviews are currently being carried out on the Service's Units and have been completed for the licensing element, but there will still be a need to complete several tasks to act following the review. The review has also included seeking residents' opinion of the Service, and the Review will take time to be implemented across the Service.

The department also notes that a review of the Service's structure has been undertaken to respond to the practical impact of losing two front-line jobs as part of the cutbacks. The review of 2017/18 fees is currently ongoing and further opportunities have been identified to charge fees for service by recovering costs for offering advice, with a view to being operational in April 2018. A further review of taxi licensing fees will happen in 2018/19.

For proposal 3, all relevant fees associated with the services offered are reviewed so that services can move towards recovering costs. Potential options of integrating or working more closely with other services within the Council have been considered to discover whether or not it would be possible to further increase efficiency and reduce costs. To this end, there has already been a reduction in non-statutory activity. The relevant policies are reviewed so that the public is clear in terms of what is expected

as a service. The Department is also moving towards providing more information on-line and to increase the capacity of self service.

Local performance measures of the Environment Department are being reviewed to be certain of our ability to measure the demand for services effectively, and that the public receive a quality and timely service. The measures will be used to plan if there is a need to review how the service unit resources are divided.

Conclusion

Based on what is noted above, the Audit and Governance Committee is asked to agree that improvement proposals 1, 2, 3 and 4 are noted as "in progress".

6. Managing early retirements in various Welsh public bodies - National Report by the Wales Audit Office published February 2015

Improvement Proposals arising from the report -

1. Public bodies should give appropriate consideration to the impact of every arrangement for early retirement in terms of equality, in particular if the public body is implementing a specific scheme where many people could retire.
2. Public bodies should monitor the expected and secured savings as a result of early retirements and they should provide a report on them as part of their internal governance arrangements. This will be of assistance when plans are made to reduce costs in the future.

Progress against improvement proposals

A report was submitted to the Council's Corporate Scrutiny Committee which referred to some elements relating to early retirements. We do not have recent examples where approval has had to be sought from councillors for more costly packages. The internal audit unit had programmed an audit of this field for 2016/17; however, in light of lack of resources, a decision was made that conducting an audit of controls in this field was not a priority.

This Council keeps detailed records regarding decisions relating to early retirement, including the associated costs. The fact that the Internal Audit Unit does not consider this to be a priority for further audit is one sign that appropriate arrangements are in place.

Conclusion

Based on what is noted above, the Audit and Governance Committee is asked to agree that improvement proposal 1 is noted as "completed", and improvement proposal 2 as being "in progress".

7. Annual Improvement Report of the Wales Audit Office 2014/15 - Local report to Gwynedd published July 2015

Improvement Proposals arising from the report -

1. Having a greater role in Welsh Government's Waste and Resources Plan in order to validate and/or improve waste recycling plans and reduce costs.

Progress against improvement proposals

The 'Toolkit Waste and Resources Action Programme (WRAP) exercise, one of Welsh Government's programmes, has been completed. The 'Kerbside Analysis Tool' review has been completed; however, WRAP have also been commissioned to carry out additional work such as reviewing recycling centres and our commercial waste service. As WRAP is a long-term plan, this work will continue into the future.

Conclusion

Based on what it noted above, the Audit and Governance Committee is asked to agree that the improvement proposal is noted as being "completed".

8. Annual Performance Appraisal of the Care and Social Services Inspectorate for Wales (CSSIW) 2014/15 - Local report to Gwynedd published October 2015

Improvement Proposals arising from the report -

1. Safeguarding is a priority for the Council, and it has put corporate arrangements into action to improve safeguarding practices. There is now a need for it to put changes into action in its adults safeguarding processes.
During the year, 178 POVA referrals were received, six fewer than in the previous year. Of these referrals, 100% of them were completed with the risk being managed. The Council contributed towards a Review of Adult Services Practice, which noted that improvements were required in the Council's POVA practices. When operational, these would increase the involvement of care providers and make the investigation and its outcome clearer. Adult safeguarding will be a field where CSSIW will take follow-up steps in 2015-2016.
2. The Council has started to develop a mental health commissioning strategy, and mental health services will be a field where CSSIW will take follow-up steps in 2015-2016.
3. Assistance for Carers -

The Council assessed or reviewed the needs of 241 adult carers in 2014-2015, which is a reduction from the 298 carers assessed in the previous year. This is cause for concern as the number of those caring for adults who receive an assessment of their own needs has increased over the past four years in Wales, despite the fact that the number has been dropping continuously in Gwynedd. The number of adult carers assessed or re-assessed in their own right during the year where a service was provided for them during the year was 132.

4. Timeliness of Child Protection Conferences -

The Council's performance in terms of holding initial child protection conferences has improved slightly, but it is lower than the average in Wales (85% compared with 93%). Also, a drop was seen in the Council's performance in terms of holding statutory reviews and child protection review conferences. The loss of the child protection coordinator and staff sickness contributed to the drop in performance in these fields. The timeliness of child protection conferences remains to be a field that requires improvement. Also, the Council needs to maintain and improve the timeliness of LAC reviews, which are currently managed by the safeguarding and quality unit.

5. Timeliness of looked after children reviews -

The Council's performance in terms of holding initial child protection conferences has improved slightly, but it is lower than the average in Wales (85% compared with 93%). Also, a drop was seen in the Council's performance in terms of holding statutory reviews and child protection review conferences. The loss of the child protection coordinator and staff sickness contributed to the drop in performance in these fields. The timeliness of child protection conferences remains to be a field that requires improvement. Also, the Council needs to maintain and improve the timeliness of LAC reviews, which are currently managed by the safeguarding and quality unit.

6. Timeliness of health assessments for looked after children -

The Council only made small improvements in terms of the percentage of looked after children receiving a health assessment during the year, and this remains substantially lower than the Wales average (51% compared with 81%).

Progress against improvement proposals

In order to respond to proposal 1 above, the Safeguarding and Quality Assurance Unit has been established in the Adults, Health and Well-being Department to be responsible for the POVA work. By now, almost every post has been filled and a work programme has been approved. The Department has re-directed capacity to

create two additional temporary posts in order to raise the momentum of the initial work and set a firm foundation over the next two years.

In order to respond to proposal 2 above, the Mental Health Service is now the responsibility of the Safeguarding and Quality Assurance Manager. Therefore, we are taking the opportunity to take a step back to plan suitable governance arrangements for today and for the future. Positive initial discussions have been held with the Health Board and the Department is now much more confident that an effective service can be established jointly which will meet the needs of our residents. If the evidence shows an unmet need, additional resources will need to be considered to facilitate and achieve the work.

In order to respond to proposal 3 above, we are collaborating with our third sector and health partners to develop a Gwynedd and Anglesey Carers Partnership Strategy. The information coming from the carers needs assessment has been inputted in the plan. The Carers Emergency Card scheme has been welcomed by carers in Meirionnydd and the intention is to promote its use in other areas.

As a response to proposal 4 above, in 2016/17, the performance was 88% which is progress from previous performance. The service retains a detailed record of the reasons why some conferences are late and report on this in the performance management cycle. During 2016/17, 147 conferences were held.

As a response to proposal 5 above, in 2016/17, the performance was 92% in terms of holding child protection review conferences on time. This is an improvement on previous performance and compared favourably with the Wales average.

As a response to proposal 6 above, the Health Board is responsible for carrying out health assessments for looked after children, despite the fact that the Council is responsible for the measure. The service is continuing discussions with the Health Board to ensure continuous improvement and some improvement has been seen, although this remains lower than the Wales average (see above comment).

Conclusion

Based on what is noted above, the Audit and Governance Committee is asked to agree that each improvement proposal is noted as being "in progress".

9. Helping People to Live Independently: "Do Councils Do Enough?" - National Report by the Wales Audit Office published October 2015

Improvement Proposals arising from the report -

1. Improve the strategic planning work and better coordinate activities for older people.

2. Improve the engagement and information for older people and the arrangements for disseminating that information.
3. Ensure effective management of the performance of the range of services assisting older people to live independently.

Progress against improvement proposals

As a response to proposal 1 and 3 above, the 'Age Well in Gwynedd Plan' was adopted by the Cabinet on 17 January 2017, which included an Action Plan of relevance to many Council departments. The Plan is monitored by the Well-being Manager, and she will be reporting back to the Cabinet on the progress made. Discussions are ongoing as Gwynedd Council draws up a new Business Plan to be operational from April 2018, regarding including a high level measure in the well-being field and assisting older people to live independently specifically. The intention will be to impose such a measure under the Sustainable Communities heading and bind this measure with the Future Generations Act. The Council, the Health Authority and all other stakeholders serve on the Local Services Board and as they complete their Well-being Assessments, it is anticipated that this agenda will feature high up in their work programme and that they will determine appropriate measures to measure progress across all services.

As a response to proposals 2 and 3 above, the Well-being Manager is the point of contact with a number of external organisations that contribute towards realising the Plan such as Age Cymru Gwynedd a Môn, Housing Associations, the Alzheimer's Society, Bangor University's Dementia Services Development Centre. Gwynedd Older People Council has been central as an engagement body relating to this agenda and they have played a part in saying what priorities they would like to see in the Plan.

Conclusion

Based on what is noted above, the Audit and Governance Committee is asked to agree that each improvement proposal is noted as being "in progress".

10. National review of care and assistance to people with learning disabilities (Joint-review carried out by the Care and Social Services Inspectorate Wales and the Health Care Inspectorate) - Local report to Gwynedd published June 2016

Improvement Proposals arising from the report -

1. Strategic planning is needed with health colleagues in order to develop long-term aspirations and plans. A joint commissioning strategy should be developed between health and social services based on an analysis of needs.

2. The local authority should continue to develop and improve its communication with service providers, and include them in the work of drawing up a statement of the market's position and in discussions about a joint commissioning strategy with the health sector.
3. The Local Authority should review its arrangements for safeguarding adults, ensuring that there is clarity in terms of the quality assurance functions and responsibilities.
4. The local authority should review the way it safeguards people's rights where they are deprived of their liberty (DoLS) to ensure that human rights are supported and properly protected.

Progress against improvement proposals

The Council, the Health Authority and all other stakeholders serve on the Local Services Board and as they complete their Well-being Assessments, it is anticipated that this is where the work of strategic planning in this field will take place. It is anticipated that the care and support needs of people with learning disabilities will feature highly on their work programme and that they will determine appropriate measures to measure progress across all public services. However, there is some confusion regarding the question as to whether the Public Services Board or the Regional Board, established under the Social Services and Well-being Act, is the correct forum for this to be carried out. This confusion needs to be resolved in order to be in a position to move forward.

The Transformation Group, within the Adults, Health and Well-being Department, is driving the work programme in terms of the future commissioning strategy. The needs assessment has been drawn up and is going through its final steps in the co-production of the document with specific stakeholders. The intention is to complete this document in November 2017. It is then intended to begin setting principles and create a commissioning strategy based on the evidence from this document. Every Transformation project now includes key providers, namely the Health Board and the families/adults we support as needed. We hold regular engagement sessions.

The Adults, Health and Well-being Department has established a Safeguarding and Quality Assurance Unit, and a Senior Manager is responsible for the Unit. Consequently, our arrangements are much tighter, and there is clarity in terms of where the responsibilities lie. The DoLS Coordinator and Best Value Assessor now work within this unit. There is one more post to fill, but otherwise, the new arrangements are operational.

We propose that processes are in place that will ultimately lead us to the delivery of the improvement proposals. This field of work is also within the remit of the Care Scrutiny Committee.

Conclusion

Based on what is noted above, the Audit and Governance Committee is asked to agree that each improvement proposal is noted as being "in progress".

11. Financial resilience of local authorities in Wales 2015-16 - National Report by the Wales Audit Office published August 2016

Improvement Proposals arising from the report –

1. Local authorities should strengthen their financial planning arrangements by: developing clearer links between the Medium Term Financial Plan and their corporate priorities and service plans; aligning other key strategies such as workforce and asset management plans with the Medium Term Financial Plan; developing fully-costed comprehensive multi-year savings schemes that provide the foundation to the Medium Term Financial Plan and encompass the Plan period, not just the next annual budget; categorising savings proposals so that the switch from traditional types of savings into transformational savings over the period of the Medium Term Financial Plan can be monitored; and ensuring that time-scales for delivering specific savings proposals are realistic and that the accountability for their delivery has been apportioned appropriately.
2. Local Authorities should develop corporate income generating and fee charging policies.
3. Local authorities should ensure that they have a comprehensive reserve funds strategy which outlines the specific purpose of disposable reserve funds gathered and the impact and use of these in the Medium Term Financial Plan.
4. Local Authorities should develop Key Performance Indicators to monitor the Medium Term Financial Plan.
5. Local authorities should ensure that savings plans are detailed enough to ensure that members are clear about what the plans intend to provide and that the provision of those plans can be scrutinised appropriately throughout the year.
6. Local authorities should ensure that they have capacity and corporate ability on a level which is able to effectively support the provision of savings schemes in the Medium Term Financial Plan at the required pace.

Progress against improvement proposals

As a response to proposal 1 above, reports were submitted to a meeting of the Council on 2 March 2017, and the report and minutes of the decision, namely item 11 on the agenda, can be seen [here](#). Item 7 on the agenda of the Cabinet meeting on 18 July 2017 is also relevant, and the link to the report and minutes are [here](#).

As a response to proposal 2 above, a report was submitted to the Audit and Governance Committee on 13 July 2017, and the report and minutes of the decision, namely item 8 on the agenda, can be seen [here](#).

As a response to proposal 3 above, a report was submitted to the Audit Committee on 15 June 2015, and the report and minute of the decision, namely item 13 on the agenda, can be seen [here](#).

As a response to proposal 4 above, the performance indicators can be seen in the performance reports of the Cabinet Member for Finance being submitted regularly to Cabinet meetings.

As a response to proposals 5 and 6 above, we as a Council respond to the most recent report from the Wales Audit Office, *Savings Schemes - Gwynedd Council* published in March 2017. Further details regarding our response can be seen under heading 20 below, but the work to realise the above initial proposal has been completed.

Conclusion

Based on what is noted above, the Audit and Governance Committee is asked to agree that improvement proposals 1, 3, 4, 5 and 6 are noted as "completed", and improvement proposal 2 as being "in progress".

12. Asset Management [Land and Buildings] - Local report to Gwynedd published October 2016

Improvement Proposals arising from the report –

1. The Council should lead the way by reopening discussions with local and regional partners regarding the development of a systematic way of joint asset planning, including opportunities to: agree on joint performance management systems, and use them; establish joint property services provision bodies; establish joint asset retention bodies.

Progress against improvement proposals

After receiving this recommendation, the Public Services Board (Gwynedd and Anglesey) established a Property Asset work-stream and asked the Fire Service to lead on the work. This work has been in progress and the Council is of course contributing towards it. No major progress has been made or clear conclusions reached from the work thus far.

Conclusion

Based on what is noted above, the Audit and Governance Committee is asked to agree that the improvement proposal above is noted as being "in progress".

13. Information Technology Review - Local report to Gwynedd published October 2016

Improvement Proposals arising from the report –

1. Review the terms of reference and membership of the IT Governance Group to ensure that it is effective in terms of reaching agreement on priorities and making recommendations to senior managers and Members. In addition, the group needs to ensure consistency in terms of: the IT project prioritisation model; preparing business cases for each IT project; reviewing each IT project after its implementation; using the project management method adopted by the Council for each major IT project.
2. Raise the profile of the IT Governance Group to ensure that it meets regularly and that it publishes its agendas, its minutes and its actions / recommendations.
3. Ensure that there is increased awareness of the new IT Strategy across the Council.
4. Improve ownership and responsibility for the IT Strategy across the ICT Service by ensuring that there are clear links between service plans and individual evaluations and the strategy.
5. Prepare regular updates on the journey of the IT Strategy to senior managers and Members.
6. Draw up a comprehensive ICT Service Plan which is in line with the new IT Strategy.

Progress against improvement proposals

Over the past year, the terms of reference and membership of the IT Governance Group have been reviewed. A work programme has been agreed and the responses to the proposals are in progress. The process of raising the group's profile is

increasing through the Cabinet and the Programme Management Unit; however, the arrangements for the task are in place.

The IT Account Managers are raising awareness of the Strategy at departmental management meetings across the Council and feedback the responses to the IT Team (proposal 3 above).

Providing regular reports on the Strategy is an increasing process by means of performance measuring meetings and the Cabinet Member's performance report. An update on individual items is shared at the Senior Managers' Group.

The procedure of producing and updating work programmes for the ICT service has been introduced at the development unit, and we are reporting on it at performance management meetings.

Conclusion

Based on what is noted above, the Audit and Governance Committee is asked to agree that improvement proposal 2 is noted as "completed", and improvement proposals 1, 3, 4, 5 and 6 as being "in progress".

14. Community Safety in Wales - National Report by the Wales Audit Office published October 2014

Improvement Proposals arising from the report –

1. Improve strategic plans in order to better co-ordinate community safety by establishing a national strategy supported by regional and local plans that focus on achieving community safety priorities agreed on a national level, instead of the existing planning framework.
2. Improve strategic work with partners by formally creating effective safety community boards instead of the existing community safety structures, that formalise and unify the work of Welsh Government, the Police, the local authorities, the health boards, the fire and rescue authorities, WACSO and other key stakeholders.
3. Ensure that community safety performance is effectively managed by: setting appropriate measures on every level in order to enable members, officers and the public to judge the progress in terms of completing actions for community safety services; ensure that the information on performance includes the work of all relevant agencies; establish measures to judge the inputs, outputs and the impact in order to be able to understand the effect of investment decisions and to support the scrutiny and overview work.

4. Review the systems for managing community safety risks and present monitoring and revision arrangements that focus on assuring the public that the money spent on community safety achieves better outcomes for people in Wales.
5. Improve the engagement and communication work with citizens through the public services board by: developing plans and priorities for community safety; agree on priorities for implementation; and report on performance and evaluating the impact.

Progress against improvement proposals

We are awaiting further guidance from Welsh Government and the Home Office regarding a national strategy. In the meantime, a regional and local plan is in place.

To respond to proposal 2 above, the Regional Board is in place. The local statutory Partnerships are in place but we cannot move forwards until we receive further guidance from Welsh Government and the Home Office, and until the results of the review commissioned by Welsh Government are received.

In order to ensure effective performance management (3 above), a Regional Plan is in place with relevant measures, but this work is again dependent on Welsh Government's review results.

A Risk Assessment (4 above) relevant to Anglesey was submitted to the Partnership on 18 October and, in turn, it will be passed on to Anglesey County Council.

The public consultation was held (5 above), with the deadline on 27 October. We are awaiting an analysis of the results, and once they arrive, we will then plan to incorporate any lessons to be learnt by 2018/19.

Conclusion

Based on what is noted above, the Audit and Governance Committee is asked to agree that improvement proposal 4 is noted as "completed", and improvement proposals 1, 2, 3, and 5 as being "in progress".

15. People Strategy - Local report to Gwynedd published November 2016

Improvement Proposals arising from the report –

1. Ensure full ownership from the Members as they scrutinise the People Strategy and formally approve it.

2. Update all people management policies and the guidance for managers to reflect the new People Strategy.
3. Put a comprehensive corporate workforce plan in place.
4. Introduce the new evaluation process to all staff.

Progress against improvement proposals

The "People Plan" was formally adopted by the Cabinet on 1 November 2016. The progress of the prioritised work streams within the Plan was reported to the performance challenge meetings of the Cabinet Member (where two members of the Audit and Governance Committee were present).

Following the adoption of the Plan, a Project Group was set up under the leadership of the Human Resources Advisory Service Manager in order to review the content of each element and the current local working conditions. One of the Human Resources Advisors works as a Project Manager, with the Senior Manager and the Head of Department acting as Senior Users.

The Human Resources Advisory Services Manager leads on submitting the comprehensive workforce planning arrangements to the Council. Alongside this, the Research and Analytics Team work together closely in order to provide key information about the nature of the current workforce.

Alternative appraisal arrangements were introduced to staff (based on continuous appraisal, rather than an annual event) across the Council. A review is currently being undertaken in order to identify the progress made, and we will incorporate any changes needed.

Conclusion

Based on what is noted above, the Audit and Governance Committee is asked to agree that the four improvement proposals are noted as being "in progress".

16. Local authority arrangements to charge a fee for services and generate income - National Report by the Wales Audit Office published November 2014

Improvement Proposals arising from the report –

1. Develop strategic frameworks to submit and review payments, creating a firm connection between them and the Medium Term Financial Plan and the Corporate Plan.

2. Review the costs per unit and the total cost of providing optional services in order to clearly note any shortcomings and, where required, set targets to improve the current implementation situation.
3. Always use the checklist to assess impact when considering changing payments.
4. Find opportunities to procure companies from the private sector to collect payments in order to improve efficiency and economy when collecting income.
5. Improve the arrangements for performance, governance and accountability management by: reporting any changes to payments to the scrutiny committee(s); improve monitoring work in order to have a better understanding of the impact of requested changes to fees and payments, and on objective achievement; benchmark and compare performance with others more thoroughly; and provide more comprehensive information to elected members so that it is possible to make firm decisions.
6. Improve the arrangements in order to anticipate an income of payments by planning scenarios and sensitivity analysis.

Progress against improvement proposals

By looking at proposals 1, 2 and 6 above, we are of the opinion that they are national matters, and that this discussion is needed on a national level if the current arrangements will change. Saying that, arrangements are already in place within Gwynedd Council which meets these requirements.

Work is ongoing on proposals 3, 4 and 5 but our response varies according to the circumstances. We will use Impact Assessments when there is a significant change in payments (3), whilst at the time, we will consider all options when considering whether the companies from the private sector would be most effective when collecting income (4).

Performance management arrangements (5) have already changed within the Council, and two members from scrutiny committees sit in on the Cabinet Members' performance challenge meeting. Ultimately, the scrutiny agenda is managed by the scrutiny committees, and this committee has a role to do so within the field of finance.

Conclusion

Based on what is noted above, the Audit and Governance Committee is asked to agree that improvement proposals 1, 2 and 6 are noted as "completed", and improvement proposals 3, 4, 5 as "in progress".

17. Risk Management - An assessment that is based on the risk of the Council's corporate arrangements - Local report to Gwynedd published January 2016

Improvement Proposals arising from the report –

The Council's risk management arrangements would benefit from: developing a risk tracking or summary document as part of its Corporate Risk Register; deliver more consistency in terms of determining and managing risks in papers and reports submitted to the Members; give more prominent attention to the concept of 'willingness to face risk' in its work of managing risk; submit a Risk Strategy and Operations Handbook to comply with the Council's amended arrangements; train the officers and the Member about risk management as part of the wider initiative to raise awareness.

Progress against improvement proposals

It was reported to the Audit Committee on 9 February 2017:

- The Governing Group will review our arrangements;
- Evolve the risk management culture so that it is not a "tick box exercise";
- Review the training for officers.

Conclusion

Based on what is noted above, the Audit and Governance Committee is asked to agree that the improvement proposal above is noted as being "in progress".

18. Good governance when determining significant service changes - Local report to Gwynedd published March 2017

Improvement Proposals arising from the report –

1. Provide an opportunity for the scrutiny committees to review and challenge business cases for changes to services in a timely manner before the Cabinet makes a final decision.

Progress against improvement proposals

Since the new scrutiny model was adopted in May 2017, the emphasis is now on promoting the forward scrutiny of the proposed changes to services/policies, etc. Good examples of this have already been seen, e.g. changes to the Leisure Service.

Conclusion

Based on what is noted above, the Audit and Governance Committee is asked to agree that the improvement proposal above is noted as being "in progress".

19. **Savings Schemes** - Local report to Gwynedd published June 2016

Improvement Proposals arising from the report –

1. Strengthen the financial planning arrangements by ensuring the delivery timetables in business cases are robust
2. Strengthen the financial planning arrangements by establishing a more corporate method of determining income opportunities

Progress against improvement proposals

It is intended to make every effort to ensure that delivery timetables in business cases are robust. This will be more practical with cuts, but substantial efficiency savings plans will become increasingly challenging and the timetable will be subject to several complex factors (e.g. Leisure project).

The Chief Executive has already consulted informally with the Cabinet and we will deal with / consider the key income streams corporately by identifying new savings against 2018/19 and 2019/20.

Conclusion

Based on what is noted above, the Audit and Governance Committee is asked to agree that the two improvement proposals are noted as being "in progress".

COMMITTEE	AUDIT AND GOVERNANCE
DATE	30 NOVEMBER 2017
TITLE	REVIEW OF THE CONSTITUTION
PURPOSE OF THE REPORT	TO MAKE RECOMMENDATIONS TO THE FULL COUNCIL TO AMEND THE CONSTITUTION
AUTHOR	MONITORING OFFICER
ACTION	ACCEPT THE REPORT AND THE RECOMMENDATION

Background

1. The constitution was adopted in its current form in July 2014. This was in itself a fundamental change from a perspective format in adopting a new national model that was the result of work by the Wales Monitoring Officers Group with support from the Welsh Government WLGA and based on a model prepared by the legal firm Bond Dickinson.
2. Since adoption, regular changes have been made to the Constitution. This was the result mainly of changes in legislation or developments such as the instigation of the Local Pension Board and the recent Scrutiny Review. However, with use of the new Constitution it is appropriate to reflect on the document as a whole to see if there is need for changes to reflect the work arrangements and experience of the Authority.
3. This report includes recommendations for amendments. Some of them are housekeeping matters or providing clarity but others suggest different paths for matters such as decision-making. The proposed changes are set out in Appendix 1
4. The recommendations have been discussed with a sub-group of the Audit and Governance Committee and their specific comments are noted.

Recommendation.

Recommend that the Full Council amends the Constitution in accordance with the report subject that the amendment to paragraph 9.12.3 comes into force after the Councils annual meeting in May 2018.

A. Section 4.7.3 - Declaration of Acceptance of Office – Chairman

5. The concept of “Proper Officer” is widely used within local government legislation to identify particular responsibilities. The aim of this specific provision is to formalize the role of the Chief Executive in taking the Declaration of Acceptance of Office before the Full Council.

B. Section 40.20.4 - Notices of Motion

6. Currently every Notice of Motion for the Council is checked from a propriety perspective. Generally, their form is acceptable and goes forward without amendment. However, there were occasions when a need arose to agree amendments with the proposer to ensure a proper decision. It needs to be borne in mind that a Notice of Motion does not waive the need to comply with the Constitution nor the law in relation to decisions. Often the changes are in relation to procedural matters e.g. asking for decisions which are cabinet matters, unclear wording or incorrect factual assumptions. The aim of this clause as recommended is to set out a formal arrangement in the Constitution to deal with these matters. This is more transparent but in reality will not change what currently takes place.

C. 9.12.3 - Chair/Vice Chair – Committee

7. It is the arrangement in Gwynedd that a Member may not be the chair more than one Committee. The current wording does not do this to Vice Chairs. Because of the way this clause is drafted it is unclear what exactly the impact of this is on the role of the Vice Chair. For example in an area such as scrutiny, this means that both the Vice Chair and Chair attend meetings of the Scrutiny Forum and represent the Committees. It also means that a member as a Vice Chair can end up Chairing two Committees if the Chairman is not available and if this is an extended period this can involve de facto chairing.

The Group considered this to be logical particularly as Chairs and Vice Chairs had quite active roles outside Committees such as Scrutiny and Audit. It was suggested however that this change should be implemented following the annual meeting to maintain the stability of the current position.

CH. 11.3.6 - Proper Officer for Access to Information

8. A practical change as the Monitoring Officer does not have a role in preparing minutes this should be the Head of Democratic Services.

14.12 Excluding the Public – Exempt items

9. According to the New Constitution the Head of Democratic Services is responsible for making decisions whether an item to be placed on an agenda is to be exempt or not. Practically the Monitoring Officer has a very significant input into this decision and it is considered better therefore that this arrangement is formalised by changing the provision and putting the decision in his hands.

D. 14.15.2 Decisions Cabinet and Cabinet Members and Urgency

10. The first change is purely practical given that the Chief Executive has no direct role in preparing minutes and this should be the Head of Democratic Services.
11. There is provision for urgent decisions by the Cabinet which excludes the right to call in to scrutiny. This requires the consent of the Chairman of the Council. There is a similar arrangement for decisions by individual members of the Cabinet but the provision it does not formally exclude the arrangement to call in to scrutiny. If there is justification for acting urgently then it is sensible to have a similar provision. Such a decision would need the consent of the chair of the relevant Scrutiny Committee. The Group agreed with the proposal.

DD. 15.3.4-5 The Budget.

12. There is a legal requirement for the Council to adopt a balanced Budget. Additionally when coming to any decision this needs to be done whilst considering matters which are relevant and disregarding those which are irrelevant, the Wednesbury rule. This also relates to any amendment proposed. Consequently proposing an amendment of the budget is challenging and needs careful and detailed consideration.
13. There is considerable preparation for the Budget which allows members to receive detailed information about the intent and considerations. The budget is placed before the Audit and Governance Committee and recommended by the Cabinet. Therefore, information about the budget is available for some time before the Council meeting.
14. There is currently no procedure in relation to the proposing amendments to the budget in the Council. If members do not pre consult on their intention there are two key problems:
 - (a) The current outcome are amendments which cannot demonstrate a balanced budget and are therefore unlawful.
 - (b) The second possible consequence is an amendment which cannot practically be advised upon as being a proper proposal at that time and place.

It is therefore recommended that a provision is placed in the Constitution which, on the one hand supports members ability to respond to the budget but on the other means that the Head of Finance specifically is given an opportunity to consider and advise on the amendment.

15. The Group was of the opinion that recommendation involved providing notice of an intention, which would encourage members to seek prior advice if they intended to propose an amendment and should not be seen as a fetter on members rights. It was accepted that an amendment to change the Budget required detailed preparation work. It was also noted that preparation of the budget involved consultations with members in any event. Therefore, by the time the Budget was presented to the Council a member should have a good understanding of the direction and context.

E. Scrutiny Arrangements

16. It is recommended that minor housekeeping amendments are made following the scrutiny review.

APPENDIX 1.

<p>A.4.7.3</p>	<p><u>Cadeirio'r Cyngor</u></p> <p>(a) Bydd y Cynghorydd a etholir yn flynyddol gan y Cyngor fel ei gadeirydd yn cael ei alw'n "Gadeirydd".</p> <p>(b) Bydd y Cadeirydd yn peidio â bod yn Gadeirydd os yw'n ymddiswyddo, yn cael ei ddiswyddo trwy bleidlais gan y Cyngor Llawn, yn peidio â bod yn Aelod o'r Cyngor, neu'n methu â gweithredu fel Aelod o'r Cyngor. Bydd yn parhau i weithredu fel Cadeirydd ar ôl etholiad nes bod ei olynydd wedi'i benodi.</p> <p>(c) <u>Y Prif Weithredwr fydd y Swyddog Priodol gerbron y sawl y bydd y Cadeirydd a'r Is Gadeirydd yn gwneud datganiad derbyn swydd yn unol ag Adran 83 o Ddeddf Llywodraeth Leol 1972</u></p>	<p>A. 4.7.3</p>	<p><u>Chairing the Council</u></p> <p>(a) The Councillor elected annually by the Council as its chair will be called the "Chair".</p> <p>(b) The Chair will cease to be Chair if they resign, are dismissed by a vote of Full Council, cease to be a Member of the Council, or are unable to act as a Member of the Council. They continue to act as Chair after an election until their successor has been appointed.</p> <p>(c) <u>The Chief Executive shall be the Proper Officer before whom the Chairman and vice Chairman will make their declaration of acceptance of Office in accordance with Section 83 of the Local Government Act 1972</u></p>
<p>B. 4.20.4</p>	<p><u>Rhybudd o Gynnig -Priodoldeb</u></p> <p>(i) Pe rhoddir rhybudd o gynnig sydd, ym marn y Swyddog Monitro, yn anghyfreithlon, allan o drefn, neu yn amhriodol bydd y Swyddog Monitro yn hysbysu'r Cadeirydd a'r Prif Weithredwr yn syth ac ni osodir y cynnig ar y rhaglen heb eu caniatâd, Pe gwneir hyn hysbysir yr aelod a gyflwynodd y rhybudd gan y Swyddog Monitro o'r penderfyniad. Petai modd diwygio'r cynnig er ei wneud yn briodol yna cynghorir yr aelod a'i gyflwynodd o hyn a chaiff gyfle i addasu'r rhybudd o gynnig.</p>	<p>B.4.20.4</p>	<p><u>Notice of Motion - Propriety</u></p> <p>(i) if notice is given of any motion that is, in the opinion of the Monitoring Officer, illegal, irregular or improper the Monitoring Officer shall immediately inform the Chairman and the Chief Executive and it shall not be placed on the agenda without their sanction. In this case the Monitoring Officer shall inform the member giving notice. If the motion can be amended so as to render it appropriate then the member giving notice shall be advised of this and given an opportunity to amend the notice of motion.</p>

	(ii) Er gwaethaf (i) osodir rhybuddion o gynnig ar y rhaglen a fyddai o'u mabwysiadu ym marn y Swyddog Monitro yn golygu penderfyniad anghyfreithiol neu arwain at gamweinyddu fel y'i diffinnir yn Adran 5 o Ddeddf Llywodraeth Leol a Thai 1989.		(ii) Notwithstanding (i) a notice of motion which, in the opinion of the Monitoring Officer would on being adopted mean an illegal decision or lead to maladministration as defined in Section 5 of The Local Government and Housing Act 1989 shall not be placed on the agenda.
C.9.12.3	<p>Cadeirio pwyllgorau ac is-bwyllgorau</p> <p>(5) Ni chaiff yr un aelod wasanaethu fel cadeirydd <u>neu is-gadeirydd</u> mwy nag un pwyllgor. Ni fydd y ddarpariaeth hon yn rhwystro aelod sy'n gadeirydd <u>neu is gadeirydd</u> pwyllgor rhag cymryd y gadair mewn pwyllgor dan baragraff (2), na rhag gwasanaethu fel cadeirydd neu is gadeirydd y Pwyllgorau Trwyddedu Canolog a Thrwyddedu Cyffredinol ar yr un pryd.</p> <p>(6)(i) Ni chaniateir i aelod ddal swydd <u>cadeirydd neu is-gadeirydd</u> pwyllgor penodol am gyfnod o fwy na dwy flynedd ac eithrio aelod sydd wedi dal swydd fel cadeirydd yn ystod y cyfnod o flwyddyn ers y cyfarfod cyntaf ar ôl y Cyngor blynyddol blaenorol.</p> <p>(ii) Ni chaiff aelod a fu'n dal swydd cadeirydd pwyllgor penodol ers y cyfnod y cyfeirir ato o dan yr is-baragraff blaenorol ddal swydd is-gadeirydd y pwyllgor hwnnw yn ystod y flwyddyn ar ôl terfyniad ei swydd oni bai nad oedd y person hwnnw wedi dal swydd y Cadeirydd am y cyfnod hiraf a ganiateir o dan baragraff (6)(i) uchod. Gall ddal y swydd am gyfnod o flwyddyn ac fe'i cyfyngir i un eithriad yn unig.</p>	C.9.12.3	<p>Chairing of committees and sub-committees</p> <p>(5) No member shall serve as a chairman <u>or vice chairman</u> of more than one committee. This provision shall not prevent a member who is a chairman <u>or the vice chairman</u> of a committee from taking the chair of a committee under paragraph (2), nor from serving as the chairman <u>or vice chairman</u> of the Central Licencing Committee and the General Licencing Committee at the same time..</p> <p>(6)(i) No member shall be permitted to hold office as chairman <u>or vice-chairman</u> of a committee for a period exceeding two years, with the exception of a member who has been in office as a chairman during the period of one year since the first meeting after the previous annual Council.</p> <p>(ii) A member who has held the office of chairman of a particular committee for the period referred to under the previous sub-paragraph cannot hold the office of vice-chairman of that committee during the year following the termination of his/her office, unless such person has not held the office of Chairman for the maximum period permitted under paragraph 6(i) above. The Office may be held for a period of one year and will be limited to one exception only.</p>
CH.11.3.6	Swyddog Priodol ar gyfer Mynediad at Wybodaeth	CH.11.3.6	Proper Officer for Access to Information

	Bydd y Swyddog Monitro yn sicrhau bod penderfyniadau Gweithredol, ynghyd â'r rhesymau dros y penderfyniadau hynny, ac adroddiadau gan Swyddogion Perthnasol a phapurau cefndir ar gael yn gyhoeddus cyn gynted â phosibl.		The Monitoring Officer will ensure that Executive decisions, together with the reasons for those decisions and relevant Officer reports and background papers are made publicly available as soon as possible
CH. 14.12	<p><u>Gwahardd y Cyhoedd Rhag Cael Mynediad at Adroddiadau</u></p> <p>Os yw'r Pennaeth Gwasanaethau Democraidd <u>Swyddog Monitro</u> yn ystyried bod hynny'n briodol, caiff y Cyngor wahardd y cyhoedd rhag cael mynediad at adroddiadau sydd, yn ei farn ef/ei barn hi, yn ymwneud ag eitemau pryd, yn unol â Rheol 14.10, y mae'n debygol na fydd y cyfarfod yn agored i'r cyhoedd. Bydd adroddiadau o'r fath yn cael eu marcio â'r geiriau "Nid i'w Gyhoeddi", ynghyd â chategori'r wybodaeth sy'n debygol o gael ei datgelu ac, os yw'n berthnasol, pam yr ystyrir ei bod er budd y cyhoedd i beidio â datgelu'r wybodaeth.</p>	CH. 14.12	<p><u>Exclusion of Access by the Public to Reports</u></p> <p>If the <u>Head of Democratic Services Monitoring Officer</u> thinks fit, the Council may exclude access by the public to reports which, in his or her opinion, relate to items during which, in accordance with Rule 14.10, the meeting is likely not to be open to the public. Such reports will be marked "Not for Publication", together with the category of information likely to be disclosed and if applicable, why it is in the public interest it is considered that the information should not be disclosed.</p>
D.14.15.2	<p><u>Paratoi'r Cofnod Penderfyniadau</u></p> <p>(a) Bydd y Pennaeth Gwasanaethau Democraidd neu ei gynrychiolydd/chynrychiolydd ef/hi yn mynychu unrhyw gyfarfod o'r Cabinet, un o Bwyllgorau'r Cabinet neu Gydbwyllgor neu Is-gydbwyllgor lle y mae ei holl Aelodau yn Aelodau o weithrediaeth awdurdod lleol, a bydd yn llunio cofnod penderfyniadau cyn gynted ag sy'n rhesymol ymarferol ar ôl y cyfarfod.</p> <p>(b) Pan fydd Aelod unigol o'r Cabinet wedi gwneud Penderfyniad Gweithredol:</p> <p>(i) bydd yr Aelod hwnnw/honno, cyn gynted ag sy'n rhesymol ymarferol yn cyfarwyddo'r Prif Weithredwr-Pennaeth Gwasanaethau Democraidd i llunio cofnod</p>	D. 14.15.2	<p><u>Preparing the Decision Record</u></p> <p>(a) The Head of Democratic Services or his or her representative shall attend any meeting of the Cabinet, a Committee of the Cabinet or a Joint Committee or joint Sub-Committee where all its Members are Members of a local authority executive, and shall, as soon as reasonably practicable after the meeting, produce a decision record.</p> <p>(b) Where an individual Cabinet Member has made any Executive Decision:</p> <p>(i) that Member shall as soon as reasonably practicable instruct the <u>Chief Executive Head of Democratic Services</u></p>

	<p>penderyniadau; ac</p> <p>(ii) ni fydd y penderfyniad yn cael ei weithredu hyd nes y bydd y cofnod penderfyniadau hwnnw wedi'i lunio, yn amodol ar baragraff (c) isod.</p> <p>(c) Pan fydd y dyddiad y mae'n rhaid i Benderfyniad Gweithredol a wnaed gan Aelod unigol o'r Cabinet gael ei weithredu erbyn yn golygu bod cydymffurfio â 14.15.2(b) uchod yn anymarferol, gellir gweithredu'r penderfyniad os yw'r penderfynwr wedi cael cytundeb</p> <p>(i) Cadeirydd y Pwyllgor Craffu perthnasol; neu</p> <p>(ii) os nad oes unigolyn o'r fath neu os nad yw'r unigolyn hwnnw/honno'n gallu gweithredu, y Cadeirydd; neu</p> <p>(iii) os nad oes unrhyw un o'r uchod, yna'r Is-gadeirydd,</p> <p><u>bod angen gwneud y penderfyniad ar frys ac nad yw'n rhesymol ei ohirio. Ni fydd y weithdrefn galw i mewn yn Adran 7.25 yn berthnasol yn yr amgylchiadau yma.</u></p>		<p>to produce a decision record; and</p> <p>(ii) the decision shall not be implemented until that decision record has been produced, subject to paragraph (c) below.</p> <p>(c) Where the date by which an Executive Decision made by an individual Cabinet Member must be implemented makes compliance with 14.15.2 (b) above impracticable, the decision may be implemented if the decision maker has the agreement of</p> <p>(i) the Chair of the relevant Scrutiny Committees; or</p> <p>(ii) if there is no such person or that person is unable to act, the Chair; or</p> <p>(ii) if there is none of the above then the Vice Chair,</p> <p><u>that the making of the decision is urgent and cannot reasonably be deferred. The call in procedure in Section 7.25 will not apply in these circumstances.</u></p>
DD.15.3.4	<p>Y Gyllideb</p> <p>Yn syth wedi cyfarfod y Cabinet fe anofnir copi o'r cynnigion sydd i'w argymhell i'r Cyngor ynghyd a chopi o'r gyllideb arfaethedig i bob aelod o'r Cyngor.</p>	DD. 15.3.4	<p>Y Gyllideb</p> <p>Immediately after the Cabinet meeting a copy of the proposals which are to be recommended to the Council together with a copy of the proposed Budget shall be sent to all members of the Council.</p>
15.3.5	<p>Ni chaiff y Cyngor ystyried unrhyw welliant i gynigion y Cabinet sydd i'w cynnig gan Aelod yng nghyfarfod y</p>	15.3.5	<p>An amendment to the Budget to be proposed by a Member may not be considered at a Council meeting</p>

	<p>Cyngor, oni bai y rhoddwyd rhybudd ysgrifenedig neu drwy ohebiaeth electroneg o eiriad arfaethedig y gwelliant wedi ei lofnodi gan y cynigydd i'r <u>Pennaeth Cyllid</u>, o leiaf dau ddiwrnod clir cyn dyddiad cyfarfod y Cyngor. Ni fydd gwelliant o'r fath ond yn dderbyniol os yw'n cynnig cyllideb sy'n balansio incwm cyffredinol gyda gwariant am y flwyddyn. Gall ef/hi hefyd gyflwyno adroddiad</p>		<p>unless at least 2 clear days' notice in writing or by electronic mail of the proposed wording, signed by the proposer has been given to the Head of Finance. Such an amendment will only be acceptable if it proposes a budget which balances general income with expenditure for the year. He/She may present a report.</p>
<p>15.3.5 Amgen</p>	<p><i>Ni chaiff y Cyngor ystyried unrhyw welliant i gynigion y Cabinet sydd i'w cynnig gan Aelodau yng nghyfarfod y Cyngor, onibai y gall y cynigydd dangos i fodlonrwydd y Prif Swyddog Cyllid fod y gwelliant yn cynnig cyllideb sy'n balansio incwm cyffredinol gyda gwariant am y flwyddyn.</i></p>	<p>15.3.5 Alternative</p>	<p><i>An amendment to the Budget to be proposed by a Member may not be considered at a Council meeting unless it can be demonstrated by the proposer to the satisfaction of the Head of Finance that the amendment proposes a budget which balances general income with expenditure for the year.</i></p>

E. 7.3	Pwyllgor Craffu Cymunedau		E. 7.3	Communities Scrutiny Committee	
	Pwyllgor ac Aelodaeth	Rôl a Chwmpas		Committee and Membership	Role and Scope
	Pwyllgor Craffu Cymunedau 18 Aelod	Craffu ar faterion yn ymwneud a gwasanaethau i'r gymuned ehangach megis: <ul style="list-style-type: none"> • Amgylchedd • Trafnidiaeth a Chludiant Cymunedol • Gwastraff ac Ail Gylchu • Lleihau ôl-troed Carbon • Cynllun Datblygu Lleol • Bwrdd Gwasanaethau Cyhoeddus • Gwasanaethau i Gwsmeriaid 		Communities Scrutiny Committee 18 members	To scrutinise matters relating to services for the wider community such as: <ul style="list-style-type: none"> • Environment • Transportation and Community Transport • <u>Waste and Re-Cycling</u> • Carbon Footprint Reduction • Local Development Plan • Public Services Board • Customer Services

PWYLLGOR ARCHWILIO A LLYWODRAETHU	AUDIT AND GOVERNANCE COMMITTEE
<p>(iv) ystyried sylwadau a phryderon am wasanaethau unigol ar lefel sirol, ar sail adroddiadau gan y swyddogion o'r Cyngor, y Comisiwn Archwilio neu'r Archwiliwr Dosbarth <u>a monitro ymateb a gweithrediad ar argymhellion neu ganfyddiadau'r adroddiadau.</u></p> <p>(v) adolygu a chraffu ar faterion yn ymwneud â gweithrediad mewnol y Cyngor megis strategaethau corfforaethol, partneriaethau, ymgysylltu , trawsnewid busnes, trefniadau effeithlonrwydd gweithlu <u>a'r swyddogaethau a gyflawnir gan yr Adran Gyllid, yr Adran Gefnogaeth Gorfforaethol a'r Tîm Arweinyddiaeth..</u></p>	<p>(i) to consider observations and concerns on individual services at a county level, on the basis of reports by Council officers, the Audit Commission or the District Auditor <u>and monitor the response and actions on the recommendations and findings.</u></p> <p>(ii) Review and scrutinise matters relating to the councils internal operation such as corporate strategies, partnerships, engagement, business transformation and workforce efficiency arrangements <u>and the functions carried out by the Finance Department, Corporate Support Department and Leadership team.</u></p>

COMMITTEE	AUDIT AND GOVERNANCE COMMITTEE
DATE	30 NOVEMBER 2017
TITLE	NON-DOMESTIC RATES – DISCRETIONARY RELIEF
PURPOSE OF REPORT	TO REQUEST THAT THE AUDIT AND GOVERNANCE COMMITTEE CONSIDERS THE OPINION OF THE WORKING GROUP THAT WAS ESTABLISHED TO INVESTIGATE AND REVIEW THE COUNCIL'S POLICY ON ALLOWING DISCRETIONARY RELIEF
AUTHOR	DEWI MORGAN, SENIOR MANAGER REVENUES AND RISK
ACTION	TO CONSIDER THE RECOMMENDATIONS OF THE WORKING GROUP, TO AMEND AS NECESSARY, AND PRESENT THESE TO THE CABINET MEMBER FOR FINANCE FOR CONSIDERATION WHEN ESTABLISHING THE NEW FRAMEWORK

1. INTRODUCTION

- 1.1 At its meeting on 28 September 2017, the Audit and Governance Committee decided to establish a Working Group to investigate the Council's Policy on allowing discretionary relief. The members of the Working Group were the Chair and Vice Chair of the Committee, together with Councillors Huw Gruffydd Wyn Jones, Aled Wyn Jones, Angela Russell and Dewi Wyn Roberts. The Cabinet Member for Finance was also to attend meetings of the Working Group.
- 1.2 This report informs the full Committee on the deliberations of the Working Group, and sets out its recommendations in formulating a new policy framework for the Council.

2. BACKGROUND

- 2.1 It was noted in the previous meeting of the Committee that the Council's current policy for the granting of discretionary relief to non-domestic rate payers have been established for several years, and have received only minor modifications since then. It was noted that it was timely for the Council to conduct a comprehensive review of the Discretionary Relief Policy not only to ensure that it remains appropriate as a result of legislative changes, but also to consider if the relief that the Council allows is being targeted to the right places and is affordable in view of the continuing need to find savings.
- 2.2 The report and appendix that were presented to the Committee on 28 September are found along the following links:
Report:
<https://democracy.cyngor.gwynedd.gov.uk/documents/s13453/Non-Domestic%20Rates%20Discretionary%20Relief.pdf>
Appendix:
<https://democracy.cyngor.gwynedd.gov.uk/documents/s13454/Appendix.pdf>
- 2.3 The Council's role in terms of Non-Domestic Rates is as a tax collector. The Council, in its role as a "billing authority", collected business rates and pays the sum over to the Wales NNDR pool, with the Council then receiving a portion of the total pooled amount from Welsh Government.

- 2.4 Although many types of business rate relief is available (e.g. small business relief, empty property relief), the scope of the Working Group focused in particular on the discretionary relief that the Council allows to certain bodies. Charitable organisations or bodies which are charitable in nature, and Community Amateur Sports Clubs (CASCs), have a right under section 43 of the Local Government Finance Act 1988 to pay only 20% of what would be payable on their property if they were not such bodies. Although the wording is not used in the Act, this 80% relief is commonly known as "Mandatory Relief".
- 2.5 Since this mandatory relief is allowed by legislation, and the National Pool funds this relief, there was no scope for the Working Group to give consideration to the mandatory relief that is awarded.
- 2.6 However, the current policy allows certain bodies that receive mandatory relief of 80% to receive further discretionary relief of up to 20%, so that they do not pay any business rates. When this is done, regulations mean that the Council pays 75% of the cost of the additional relief in the case of charitable bodies, and 10% of the cost of the additional relief in the case of CASCs.
- 2.7 The current policy also allows the Council to award discretionary relief – of up to 100% - to bodies that are not eligible to receive mandatory relief. The Council pays 10% of the cost of this discretionary relief if the recipient body falls into one of the following categories:
- An organisation which is not for profit, whose main objects are charitable **or** are otherwise philanthropic **or** religious **or** concerned with education, social welfare, science, literature or the fine arts
 - An organisation which is not for profit, for purposes of recreation
- 2.8 It should be noted that the Act also allows the Council to provide discretionary relief to any other taxpayer, but in those circumstances the Council must pay 100% of the cost of the relief, and must prove that the relief benefits the taxpayers of Gwynedd. There is no intention to use this power and it was therefore not within the scope of the work of the Working Group.

3. THE WORK OF THE WORKING GROUP

- 3.1 Two meetings of the Rates Relief Investigation Working Group were held, on 12 October and 14 November.
- 3.2 Where the discussion related to a charity or an activity relating to a field where a member of the Working Group had identified an interest because they were paid by a relevant body, the member declared an interest and withdrew from the discussion.
- 3.3 At the meeting of 12 October, a presentation was first given on the legislative background, namely the relevant sections of the 1988 Act and related Regulations. It was noted that the cost of any discretionary relief is shared between the National Non-Domestic Rates pool and the local authority, depending on the nature of the body and the use made of the property.
- 3.4 It was explained that the Council had adopted a Charitable Relief Policy, but that it is now timely to review this. In order to consider the arrangements in a systematic way, the Working Group decided to use the categories of the current framework as a guide, indicating one of three choices:
- Continue with the current level of relief
 - To change to discretionary relief that is allowed
 - To give further consideration at the subsequent meeting on 14 November.

3.5 At the meeting of 14 November, the additional details that had been requested at the previous meeting were presented. This included details of the nature of the property which currently receive relief in different categories, and particular consideration was given to whether the discretionary relief currently awarded displays fairness and appropriate use of Council resources.

3.6 The Appendix contains the current framework, with the view of the Working Group is set out on it.

4. THE WORKING GROUP'S CONCLUSIONS

4.1 In most cases, it can be seen that the Working Group was of the opinion that the current arrangements should continue. However, the Working Group was of the opinion that the following changes should be made:

4.2 **Category 5 - Organisations of Specific Interest to Some.** The Working Group was of the opinion that a new sub-category should be added, namely 5(c), such bodies which have been registered as a charity (and therefore eligible to receive mandatory rate of 80%), but without local connections. That is, although the charity is responsible for non-domestic rates within Gwynedd, it does not appear that the organisation serves the residents of the County. Properties in category 5 (c) should not receive additional discretionary relief.

4.3 **Category 9 - Charity Shops.** At present, an additional discretionary relief of 20% is awarded to charity shops if they do not sell "new stock" or "bought-in stock", with mandatory relief only being awarded to charity shops that sell "new" or ""bought-in stock". At present, 50 shops receive additional relief, and no shop receives mandatory relief only. That suggests, therefore, that no charity shop within Gwynedd sells new goods. To avoid misunderstanding, and to avoid a situation where selling a few new items such as Christmas cards prevents a shop from receiving additional relief, the Working Group was of the view that the definition should be amended to clarify that the discretionary relief of 20% is to be allowed for charity shops where the majority of the material sold had been donated to the charity for selling on.

4.4 **Category 10 - National Trust Properties and Category 12 - RSPCA / RSPB Properties.** The Working Group did not see what reason now exists to justify that these national charities deserve to be treated differently from other charities, by receiving additional discretionary relief of 20% on any property in their possession by default. The Working Group's conclusion was that these charities should be treated like everyone else, with discretionary relief being considered for individual properties on merit (e.g. relief could be allowed for educational properties, but not for offices or hydro schemes).

4.5 **Category 11 - Leisure Property Managed by National Registered Charity Organisations.** Several of the properties in this category are hostels run by bodies such as the YHA, or by charities for the welfare of individuals from specific geographical areas. Because the properties in this category relate to properties managed by registered charitable organizations, they are eligible for mandatory release of 80%. The current policy allows additional discretionary relief of 20% to Leisure Hostels without a bar (or other commercial activity), but no additional relief to a leisure centre with a bar (or other commercial activity). The Working Group's view was that these definitions are now outdated, and "use by residents of Gwynedd" should be used as a measure to determine if discretionary relief is appropriate or not, not the presence of a bar or commercial activity.

- 4.6 **Category 13 - Housing Association Offices.** The views of the Working Group was that the relative financial position of the housing associations and the Council has changed substantially since the current policy was adopted, and that by now there is no justification for using the Council's budgets to provide support to the housing associations. Nevertheless, the Working Group is keen to continue to award additional discretionary relief to properties on a housing estate which has been converted into an office specifically for the benefit of the residents of the estate.
- 4.7 **Category 14 - Amateur Sports / Leisure e.g. Rugby Club, Golf Club, etc.** Currently, this category has been split into three, and varies based on local membership, the Club's profits etc. In addition to the need to update this category to reflect changes in the Act with the advent of Community Amateur Sports Clubs (CASC), the Working Group was of the opinion that Category 14 needs to be simplified, combining the various sub-categories. CASCs has their own category, namely Category 17.
- 4.8 **Category 15 - Organisation Which is Not a Registered Charity But Charitable by Nature.** The Working Group was of the opinion that there is a need to continue to have such a category, and although there is no financial cost to the Council (only mandatory relief is permitted), it would be appropriate to have the approval of the Cabinet Member in all cases to ensure consistency and transparency.

4.9 Financial Situation

As well as the nature of the use of the property, the Group was keen for a new framework to give an overriding consideration to the financial position of charities and was eager for the Finance Department to look into the feasibility of placing a floor and ceiling on the support provided through discretionary relief:

- Where the framework states that additional discretionary relief is not available to a charitable body receiving mandatory relief, consideration should be given to the charity's financial situation, and allow the additional relief in a situation where the charity would suffer if the additional relief was not received.
- The Working Group is keen for the Finance Department to consider how to undertake a financial assessment of charitable bodies that receive additional discretionary relief in accordance with the framework, and to withdraw additional relief if that body has sufficient income and/or reserves to pay 20% of the non-domestic rates on their property. This would mean that resources are available to support more needy charitable bodies, as well as saving money for the Council and the National Pool.

5. **NEXT STEPS**

- 5.1 The Cabinet has responsibility for adopting a new Policy Framework.
- 5.2 In accordance with regulation 2(3) of the the Non-Domestic Rates (Discretionary Relief) Regulations 1989 (1989/1059), at least a year's notice must be given when discretionary relief is revoked or reduced, and revocation or amendment can only occur at the end of a financial year. Therefore, where a decision is made to bring cease the awarding of discretionary relief, the taxpayer must be notified before 31 March 2018 if the relief is to come to an end on 31 March 2019. If a notice of decision to stop relief were to slip to April 2018, say, it cannot come into force until the 2020/21 financial year.
- 5.3 As a result, in order to have a framework in place as soon as possible, it will be necessary for the Cabinet to adopt a new policy by the end of February 2018.
- 5.4 For information, when granting new discretionary relief, there is no need for a year's notice— it can be granted immediately, and backdated as appropriate.

6. RECOMMENDATION

- 6.1 The Audit and Governance Committee is asked to consider the Working Group's comments as appear in Part 4 above, propose modifications, and offered them as recommendations to the Cabinet Member for Finance for consideration when adopting a new Policy Framework.

Appendix – Opinion of the Rates Relief Working Group based on the Current Policy Framework

Category of Relief		Mandatory	Discretionary	Number of hereditaments	Cost to the Council of the relief (£)	Opinion of the Working Group
1	VILLAGE HALLS / COMMUNITY HALLS / COMMUNITY CENTRES					
(a)	Registered Charities	80%	20%	101	32,340.75	No change
(b)	Not Registered Charities	0%	100%	6	1,256.23	No change
2	YOUTH ORGANISATIONS					
(a)	Registered Charities with local connections	80%	20%	22	15,460.65	No change
(b)	Not Registered Charities with local connections	0%	50%	3	980.54	No change
(c)	Registered Charities without local connections	80%	0%	18	4,479.77	No change
3	ORGANISATIONS SERVING THE ELDERLY					
(a)	Registered Charities beneficial to the local people	80%	20%	10	6,325.86	No change
(b)	Registered Charities with no local connections.	80%	0%	0	0	No change
(c)	Not Registered Charities but beneficial to the local people	0%	50%	0	0	No change
(ch)	Not Registered Charities with provision for people outside the Council's area, but still of a philanthropic nature.	0%	10%	0	0	No change

Category of Relief		Mandatory	Discretionary	Number of hereditaments	Cost to the Council of the relief (£)	Opinion of the Working Group
4	NON PROFIT ORGANISATIONS WHOSE AIMS ARE PHILANTHROPIC, LITERARY OR DEAL WITH FINE ART					
(a)	Registered Charities that benefit local people and membership is open to anyone.	80%	20%	91	52,149.97	No change
(b)	Registered Charities that benefit local people but membership is restricted.	80%	0%	8	5,190.85	No change
(c)	Not Registered but benefits the local people and membership is open to anyone. (Officers to refer cases to the Executive where doubt exists regarding their objectives).	0%	100%	17	10,068.06	No change
(a)	Registered Charities without local connections	80%	0%	4	374.25	No change
	ORGANISATIONS OF SPECIFIC INTEREST TO SOME e.g. WOMENS INSTITUTE					
(a)	Registered Charities beneficial to the local people	80%	20%	28	37,903.21	No change
(b)	Not Registered Charities but beneficial to the local people	0%	50%	4	360.53	No change
(c)	Registered Charities without local connections	80%	0%	0	0	New Category

Category of Relief		Mandatory	Discretionary	Number of hereditaments	Cost to the Council of the relief (£)	Opinion of the Working Group
6	MUSEUMS					
(a)	Registered Charities	80%	20%	9	10,860.74	No change
(b)	Not Registered Charities but non-profit and beneficial to local people.	0%	100%	0	0	No change
7	OTHER EDUCATIONAL ORGANISATIONS OR DEALING WITH CULTURE					
(a)	Registered Charities of benefit to the local people with open membership, including Voluntary Aided Schools.	80%	20%	17	15,497.70	No change
(b)	Registered Charities of benefit to the local people but with restricted membership	80%	0%	2	718.56	No change
	Not Registered but exists for the benefit of the local people and membership is open	0%	50%	0	0	No change
	COLLEGES	80%	0%	30	0	No change
	CHARITY SHOPS					
(a)	Majority of goods sold have been donated , rather than being “new stock” or “bought-in goods”	80%	20%	50	36,612.59	No change, but strengthen definition
(b)	Majority of goods sold is “new stock” or “bought-in goods”	80%	0%	0	0	No change, but strengthen definition

Category of Relief		Mandatory	Discretionary	Number of hereditaments	Cost to the Council of the relief (£)	Opinion of the Working Group
10	NATIONAL TRUST PROPERTIES	80%	20%	28	16,579.19	Revoke category – individual hereditament to be awarded relief if in another category
11	LEISURE PROPERTY MANAGED BY NATIONAL REGISTERED CHARITY ORGANISATIONS					
(a)	Leisure Hostels with no bar (or other trading activity).	80%	20%	12	9,633.20	Change conditions from “bar” to “local use”
Page 126	Leisure Centre with a bar (or other trading activity).	80%	0%	0	0	
	R.S.P.C.A / R.S.P.B. PROPERTIES	80%	20%	2	1,694.60	Revoke category – individual hereditament to be awarded relief if in another category
13	HOUSING ASSOCIATION (OFFICES)	80%	20%	22	20,461.00	Revoke discretionary relief, apart from a house that has been converted to a non-domestic property for the benefit of residents

Category of Relief		Mandatory	Discretionary	Number of hereditaments	Cost to the Council of the relief (£)	Opinion of the Working Group
14	AMATEUR SPORTS / LEISURE e.g. RUGBY CLUB, GOLF CLUB, etc.					
(a)	With local membership (>90% resident in Gwynedd or in the counties surrounding Gwynedd) but no bar (or other trading activity).	0%	100%	37	15,850.34	Combine into one category and update to reflect the development of CASCs, which receive mandatory relief of 80%
(b)	With local membership (>90% resident in Gwynedd or in the counties surrounding Gwynedd) and with a bar (or other trading activity), annual profit <£10,000 & membership <£25 per head.	0%	100%			
Page 127	With local membership (>90% resident in Gwynedd or in the counties surrounding Gwynedd) and with a bar (or other trading activity).	0%	100%			
	ORGANISATION WHICH IS NOT A REGISTERED CHARITY BUT CHARITABLE BY NATURE (Officers to refer all applications to the Executive)					
(a)	Educational	80%	0%	9	3,970.79	There is a need to continue to be diligent and ensure that these really are "charitable" in nature. There should be Cabinet Member's agreement
(b)	General, for the benefit of the local community.	80%	0%			

Category of Relief		Mandatory	Discretionary	Number of hereditaments	Cost to the Council of the relief (£)	Opinion of the Working Group
16	Others			2	411.68	No change
17casc	CASC	80%		13	7578.00	Same principles as Category 14