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| COMMITTEE | AUDIT AND GOVERNANCE COMMITTEE |
| DATE | 8 FEBRUARY 2018 |
| TITLE | OUTPUT OF THE INTERNAL AUDIT SECTION |
| PURPOSE OF REPORT | TO OUTLINE THE WORK OF INTERNAL AUDIT FOR THE PERIOD TO 26 JANUARY 2018 |
| AUTHOR | LUNED FÔN JONES – AUDIT MANAGER |
| ACTION | TO RECEIVE THE REPORT, COMMENT ON THE CONTENTS AND SUPPORT THE ACTIONS THAT HAVE ALREADY BEEN AGREED WITH THE RELEVANT SERVICES |

1. INTRODUCTION

1.1 The following report summarises the work of the Internal Audit Section for the period from 18 November 2017 to 26 January 2018.

2. WORK COMPLETED DURING THE PERIOD

2.1 The following work was completed in the period to 26 January 2018:

| Description | Number |
|---|---------------|
| Reports on Audits from the Operational Plan | 9 |
| 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 26 January 2018, indicating the relevant opinion category and a reference to the relevant appendix.

| TITLE | DEPARTMENT | SERVICE | OPINION | APPENDIX |
|--|------------------------------|--------------------------------|---------|------------|
| Safeguarding Arrangements for Children and Adults – Field Workers’ Awareness of Policy | Corporate | - | C | Appendix 1 |
| Safeguarding Arrangements for Children and Adults Establishments | Corporate | - | B | Appendix 2 |
| Information Management - Establishments | Corporate | - | B | Appendix 3 |
| Concessionary Bus Fares | Environment | Transportation and Street Care | B | Appendix 4 |
| Debt Recovery Arrangements | Finance | Financial | B | Appendix 5 |
| Families First Grant | Children and Family Support | Children and Families | A | Appendix 6 |
| Childcare Proposal Grant | Children and Family Support | Children and Families | A | Appendix 7 |
| Depots | Highways and Municipal | Highway Works | B | Appendix 8 |
| Housing Waiting List | Adults, Health and Wellbeing | Housing | B | Appendix 9 |

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 Post 16 Grant

2.3.1 There is a requirement for local authorities to provide ‘evidence of appropriate expenditure’ of the allocations in respect of sixth forms and adult continuing education. The ‘Local Authority Audit Guidance for Welsh Government Funding’ states that on an annual basis, the Local Authority will provide to the Welsh Government the following information:

- a) a list of all internal audit reports completed in that year that involve any school or community learning where all or part of the costs are covered by Welsh Government grants;
- b) for those reports, the main audit opinion is to be given together with any significant weaknesses identified plus the action plan / management comments to address those weaknesses;
- c) a copy of the Head of Internal Audit’s (or equivalent) annual report; and
- d) a copy of the external audit management letter relating to the particular financial year after it has been presented to the Council. (This will be the audit certificate from your 2016-17 audited annual accounts).

2.3.2 The above information and the related checklists were sent to the Welsh Government on within the deadline for submission which was 31 January 2018.

3. FOLLOW-UP WORK

3.1 New arrangements have been established for follow-up audits. In 2016/17, a total of 223 actions were agreed to be undertaken before 31 March 2018. Now, rather than carrying out a follow-up on only “C” opinion reports, all agreed actions will be addressed by requesting the unit/service/establishment to provide evidence to prove implementation. On 26 January 2018, there was acceptable implementation on **65.91%** of the agreed actions, i.e. 147 out of the 223. To date, an update has only been requested for 204 of the agreed actions of which 147 are acceptable, a percentage of **72.05%**.

4. WORK IN PROGRESS

4.1 The following work was in progress as at 27 January 2018.

- Learning and Development Integrated System (*Corporate*)
- Obtaining References, Proof of Identity and Evidence of Qualifications (*Corporate*)
- National Fraud Initiative (*Corporate*)
- School Meals Income (*Education*)
- Schools - General (*Education*)
- Food Hygiene (*Environment*)
- Smallholdings (*Environment*)
- School Schemes – Ysgol Glancegin (*Environment*)
- Car Park Income (*Environment*)
- Benefits – Review of Key Controls (*Finance*)
- Victoria Dock (*Economy and Community*)
- Y Frondeg (*Adults, Health and Wellbeing*)
- Arrangements for Children Leaving Care (*Children and Family Support*)
- Recycling Targets (*Highways and Municipal*)

5. RECOMMENDATION

5.1 The Committee is requested to accept this report on the work of the Internal Audit Section in the period from 18 November 2017 to 26 January 2018, comment on the contents in accordance with members' wishes, and support the actions agreed with the relevant service managers.

SAFEGUARDING ARRANGEMENTS - FIELD WORKERS' AWARENESS OF THE POLICY CORPORATE

1. Background

- 1.1 One of Gwynedd Council's main priorities is to ensure that robust arrangements and procedures are in place to safeguard children and adults. Safeguarding children and adults is the responsibility of everyone who represents or works on behalf of the Council, therefore it is expected for every Councillor, every member of staff, every volunteer and every contracted service provider to act appropriately if there is any doubt or if a concern is expressed that abuse is taking place.

2. Purpose and Scope of Audit

- 2.1 The purpose of the audit was to undertake a review of the awareness of the Council's field workers of the 'Policy and Guidelines for Safeguarding Children and Adults'. A sample of field workers were visited and asked about their awareness of the Council's policy and its contents. In addition, they were asked about the types of abuse they would report and to whom they would report it.

3. Main Findings

- 3.1 Several establishments were visited in order to discuss face to face with field workers, and question them about their awareness of the Council's policy and its contents. In addition, we asked about the types of abuse they would report and to whom they would report it. The auditors succeeded in collecting 63 responses from employees who do not have a Gwynedd Council email address by visiting Community Carers meetings, as well as Residential Homes, Leisure Centres and Depots.
- 3.2 The results of the discussions show that 76% of staff, out of the sample of 63, are aware that the Council has a Policy and Guidelines for Safeguarding Children and Adults. This result was expected as field workers do not receive as much contact compared to employees with Gwynedd Council email addresses.
- 3.3 It was explained to the employees that the 'Policy and Guidelines for Safeguarding Children and Adults' is Gwynedd Council's policy and that it differs from external policies such as POVA (Protection of Vulnerable Adults). Although several employees expressed that they are aware of the policy, the discussions that took place suggested that this was not true in all cases. In addition, when discussing aspects of the Policy, such as that it related to out-of-work life, the role of Departmental Designated Managers etc. it was found that those who had expressed themselves as being aware of the content may not be so familiar after all.
- 3.4 Many expressed that they had completed the e-learning safeguarding module and others noted that they needed to complete the module before the end of the year but that they were having difficulty accessing the system.

- 3.5 The different forms of abuse and their signs were discussed as set out in the Policy and the vast majority of employees were aware of them. However, it does not mean that they are aware of the policy and its contents. It was discussed if the workers were concerned about individuals being abused, whether in the workplace or not, would they refer their concerns and to whom.
- 3.6 The responses varied, but most of the employees noted that they would first express their concerns and to get advice from their Line Manager, although the Auditors reinforced that the policy encompasses life and concerns outside work as well. Other responses received included, contacting CSSIW, following POVA guidelines, Childline or contacting Social Services directly. One worker stated that he would have a word with the family if he had concerns about financial abuse. In addition, if he had concerns about an individual being emotionally abused, he would talk to the person causing the concern.
- 3.7 Following emphasizing that the policy also covers life outside work, many expressed that they would either contact Social Services or the Police. But when inquiring further about abuse such as organizational, financial and emotional, some individuals were unsure of what they meant.
- 3.8 It was explained that, although it was reasonable to discuss concerns with their Line Managers, this is not a 'referral' in the true sense, and not practical if the concern was about something outside of work. The role of the Departmental Designated Safeguarding Manager was discussed and that it was possible to speak to the Children's Services Duty Team, Adult Service Advisory and Assessment Team, or the Social Services Out of Hours Team on 01766 772577 or the Public Protection Unit - Police (number telephone - 101), and it was explained that if they thought that the child or adult was at risk immediately, then the Police should be called. Several employees expressed that they were unaware of the telephone number for referrals.
- 3.9 During the discussions with the employees, the Council's safeguarding pamphlets were distributed as well as the information cards. It was explained that the pamphlets contained information about types of abuse, the referral telephone number and what the next steps would be. Some of the sample stated that they were not aware of the safeguarding picture of a hand while others said they had already received a pamphlet and information card. These were distributed to the workers and to Line Managers / Supervisors during our meetings.

4. Audit Opinion

(C) No assurance of propriety can be given in safeguarding arrangements - field workers' awareness of the policy as the controls in place cannot be relied upon. Although the vast majority of employees have expressed that they are aware of the Policy and its content, the discussions held suggested that this was not accurate.

- Continue to raise awareness of the safeguarding system, by taking into account of the results of this survey.

SAFEGUARDING ARRANGEMENTS - ESTABLISHMENTS CORPORATE

1. Background

- 1.1 One of Gwynedd Council's main priorities is to ensure that robust arrangements and procedures are in place to safeguard children and adults. Safeguarding children and adults is the responsibility of everyone who represents or works on behalf of the Council, therefore it is expected for every Councillor, every member of staff, every volunteer and every contracted service provider to act appropriately if there is any doubt or if a concern is expressed that abuse is taking place.

2. Purpose and Scope of Audit

- 2.1 Safeguarding children and adults is the responsibility of everyone who represents or works on behalf of the Council. The purpose of the audit was to ensure that establishments outside the Council's main offices were aware of their responsibility to direct concerns about safeguarding children and adults appropriately.
- 2.2 The audit covered discussions with Managers and observed that a safeguarding poster was displayed in establishments outside the main offices. This included schools, residential homes, learning disability hostels and leisure centres Internal Audit visited as part of the 2017-18 Internal Audit plan.

3. Main Findings

- 3.1 It was generally seen that there was awareness of safeguarding issues, but there was scope to improve awareness further. As part of the 2017-18 audit plan a sample of the Council's leisure centres, residential homes, learning disability hostels and schools were audited. Safeguarding arrangements such as safeguarding policies, training and DBS disclosures were examined within the audit programme. Below is a summary of the findings.
- 3.2 Leisure Centres
- 3.2.1 Two leisure centres followed the Council's corporate policy with another centre following the 'All Wales Child Protection Guidelines 2008'. Three of the leisure centres did not have the safeguarding posters but were given them on the day of the visit or were sent by post.
- 3.2.2 All leisure centre staff have not received safeguarding training. It seemed that only staff with access to a computer had completed the Safeguarding Children and Vulnerable Adults e-learning training module. However, it was expressed that safeguarding now is included in the induction of all staff including assistants and casual staff that do not have access to computers.

3.2.3 A sample of officers from the four centres were selected and each was found to have current DBS disclosures except for one who was in the process of renewal. In addition, two of the centres displayed posters informing individuals not to take public photographs, as a specific form must be completed if this is to be done. Leisure centre staff are aware of the arrangements and actions to take if such a case occurs.

3.3 Residential Homes

3.3.1 There were safeguarding posters in each home and it was found that contact cards had also been allocated to staff.

3.3.2 Not all staff had received protection of vulnerable adult training, and cases were identified where it was necessary to renew it. Many of these staff were evening or occasional workers and it was noted that it was difficult to arrange training for them as they had other jobs that take priority.

3.3.3 A sample of officers from three homes were selected and each was found to have a current DBS disclosure.

3.4 Learning Disabilities Hostels

3.4.1 A safeguarding poster was visible in the staff room.

3.4.2 Three members of staff had attended the 'Safeguarding Awareness - All Wales Basic Protection' course in January 2017. The Manager explained that further training on safeguarding had been arranged for 2017.

3.4.3 A sample of officers were selected and each was found to have a current DBS disclosure.

3.5 Schools

3.5.1 During the auditors' visits, it was seen that two of the schools did not have safeguarding posters but they were given them on the day of the visit or were sent by post. Some of these schools had received leaflets or the information cards but not the posters.

4. Audit Opinion

(B) Partial assurance can be expressed of propriety in the safeguarding arrangements - establishments as controls have been established, but there are aspects where some arrangements can be tightened. The Chair of the Safeguarding Operational Panel is committed to implementing the following step to mitigate the risks:

- Continue to raise awareness of the Council's employees of corporate safeguarding arrangements.

INFORMATION MANAGEMENT - ESTABLISHMENTS CORPORATE

1. Background

- 1.1 The Council makes considerable use of personal information in all its areas of work, so it is important that it adheres to the Data Protection Act 1998. As part of their employment with Gwynedd Council, all members of staff are required to be familiar with their Data Protection responsibilities and deal with personal information in a manner that complies with the Act.
- 1.2 The General Data Protection Regulations come into force on May 25 2018 which will replace the Data Protection Act 1998. The changes mean that there is a need to explain much more clearly to the public and staff how personal information is used. Individuals will have more rights and a clear proof of consent will be required to use information. It will be necessary to report nationally if information goes missing or to the wrong place and organisations will need to know what personal information is held, where it is stored, with whom it is shared and how long it will be kept.

2. Purpose and Scope of Audit

- 2.1 The purpose of the Audit was to ensure that information held by the Council is kept securely and in compliance with the principles of the Data Protection Act.
- 2.2 The audit encompassed observation of information protection arrangements when visiting Council establishments that are outside the main buildings.

3. Main Findings

- 3.1 It was generally seen that there was an awareness of information management issues and the principles of the Data Protection Act, but there was scope to further improve awareness. As part of the 2017-18 audit plan a sample of the Council's leisure centres, learning disabilities hostel were examined as well as a sample of schools. Below is a summary of the findings.
- 3.2 Leisure Centres
 - 3.2.1 There was a good understanding of the safety of information in the sample of leisure centers visited during the year 2017-18. Three of the sample were aware of the Information Management team, one of whom had contacted them to inquire about retention periods. In addition, the Business and System Support Officer confirmed that she had circulated information regarding document retention periods to each leisure centre.
 - 3.2.2 Elements of information security are included in the leisure centre staff induction e.g. dealing with direct debits and not sharing telephone numbers over the phone.

3.2.3 Each centre used shredders for the disposal of confidential information with one indicating that they also tried to make less use of the red sacks. They were aware of the need to keep confidential information secure.

3.2.4 It was inquired as to whether guidance was given to staff not to discuss matters outside work and two centres in the sample said that they do not do this. In addition, one of the leisure centres noted that they do not lock their computer screens when they are not at their desk.

3.3 Schools

3.3.1 The Schools had a good understanding of information management arrangements, but one school out of the sample selected was not aware of the Information Management Team. One of the Heads noted that she had received a presentation on data protection at a Headteachers meeting. Nevertheless, another Head in the sample indicated that they were not aware that a team existed.

3.3.2 All but one School gave staff training on how to handle information including areas such as confidentiality, not discussing matters outside the School, releasing information etc. Shredders or special disposal bags are used to dispose of confidential waste at each school and they were aware of retention periods for the information in their care.

3.3.3 Sensitive information is kept locked and if there is a need to transfer work home to work on, they have access from home or they use encrypted memory sticks.

3.3.4 Passwords were not seen on screens in the schools but one Head was observed leaving their computer for a period of approximately 10 minutes without locking the screen.

3.4 Learning Disabilities Hostel

3.4.1 A learning disability hostel was visited and during the visit it was seen that the entrance door and external door of the kitchen and staff room were open on a hook. The risk of keeping doors open was discussed with the Manager, not only to prevent residents leaving, but to prevent unauthorized individuals from entering.

4. Audit Opinion

(B) Partial assurance can be expressed of propriety in the arrangements for information management - establishments as controls have been established, but there are aspects where some arrangements can be tightened. The Information Manager has committed to implement the following step to mitigate the risk highlighted:

- Continue to raise awareness of Council employees of information management arrangements including the General Data Protection Regulations that will take effect on May 25, 2018.

CONCESSIONARY BUS FARES ENVIRONMENT

1. Background

- 1.1 Individuals over 60 years old and disabled people living in Gwynedd are eligible for a bus pass that will allow them to travel free of charge on any local bus service in Wales. Bus operators, the 'Participating Operators', are required to advise the Council on a monthly basis how often the passes were used on journeys in Gwynedd, in order to receive a repayment for them. The payments are based on the number of journeys made within the month by pass holders, multiplied by the average adult single fare, and multiplied again with a 'generating factor' which is a percentage provided by the Welsh Government. The Council reclaims the money paid to the participating operators through quarterly claims to the Welsh Government.

2. Purpose and Scope of Audit

- 2.1 The purpose of the audit was to ensure that appropriate controls are in place for the administration and payment process to participating operators for concessionary fares buss pass use. The audit also reviewed the appropriateness of transport services tendering arrangements. In order to achieve this, the audit encompassed a review of a sample of recent payments and the information received from the participating operators.

3. Main Findings

- 3.1 Paragraph 36 of 'Concessionary Travel Scheme: A Common Approach for Reimbursement Arrangements for Participating Operators', guidelines, dated April 2017, states: *"Since the scheme was introduced, there have been concerns raised over individual Participating Operators allegedly over-recording the number of passenger journeys in an attempt to manipulate the scheme to their advantage. These have been small in number but have increased in the last few years."* In the past, Gwynedd has been involved in attempts by some providers to over-record the number of journeys, so it is essential that there are appropriate controls in place to mitigate future risks of over-recording.
- 3.1.1 With regards to the payments made to the participating operators in the chosen sample, the payments were found to be appropriate and sufficient evidence had been received to support them.
- 3.1.2 In accordance with the guidelines, the formula that calculates monthly payments to the participating operators is based on the September 2009 average adult single fare, adjusted annually in line with inflation. In previous audits, Internal Audit had not given assurance on the accuracy of all the figures received in September 2009 by the participating operators. However, the Welsh Government provides the participating operators' average adult single fares to Gwynedd on an annual basis, and it was found that the payments made were in accordance with these.

- 3.1.3 Notwithstanding the above, it was found that the Service had identified a mistake with the fare of one Participating Operator, where payments for 2016-17 were made based on an average price of £2.1950 rather than the correct price of £ 2.9015. This was discovered when the Council was informed by the Welsh Government of 2017-18 prices, based on a 0.9% reduction on 2016-17 figures. It was found that the Service had already repaid the Participating Operators at the correct rate.
- 3.1.4 The guidance states that participating operators are required to support their claims with reports of all journeys made using the bus passes, and it is expected that no less than 98% of the journeys made were processed using smartcards, that is, only up to 2% of journeys made can be processed where a bus pass has not been scanned by the driver e.g. if there was a problem with the scanning machine. The risk of participating operators over-claiming by inappropriate use of manual processing has already been identified, and Gwynedd restricts payments to participating operators for such tickets to 2%.
- 3.1.5 However, one operator that exceeds the threshold is opposed to the decision not to pay over 2%, and states the alternative would be the refusal to accept any passengers with concessionary fare bus passes unless the passengers provide payment if their machines cannot scan them. In addition to this, the Welsh Government has retained the reimbursement for all payments made to this operator in quarter 1 and 2 in 2017-18, despite the Service restricting their payments. The Welsh Government believes that Gwynedd does not do enough to ensure that the company does not try to claim more than they should, stating: "*We have not received any clarification of the actions taken by the authority to address our concerns*". This dispute is ongoing at the time of the audit, and the Service expects further guidance from the Welsh Government. The Welsh Government has suggested "*the authority request that one of Bus Users Cymru's Bus Compliance Officers undertake surveys of the company's services, alongside or in addition to staff of Gwynedd Council.*" When considering the value of the payments (totalling £90k up to quarter 2), it is important that the Service takes action that would be acceptable by the Welsh Government so that they can release this element of the grant to Gwynedd.

4. Audit Opinion

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

- Receive guidance from the Welsh Government with regards to participating operators where over 2% of journeys claimed are processed manually, and take the appropriate steps to secure the grant for the costs paid to date.

DEBT RECOVERY ARRANGEMENTS FINANCE

1. Background

- 1.1 A Miscellaneous Debt Recovery Guide (October 2014) sets out the process that should be followed when attempting to recover a debt. Once a Service requests an invoice to be issued on a debtor, the Income Unit begins the recovery process. If the Income Unit's processes do not come to fruition, debts are transferred to external collection agencies or to the Council's Legal Service.

2. Purpose and Scope of Audit

- 2.1 The purpose of the audit was to ensure that appropriate and effective arrangements are in place for debt recovery. In order to achieve this, the audit involved selecting a sample of outstanding debts and verifying that appropriate action had been taken to try to recover the debt.

3. Main Findings

- 3.1 A sample of outstanding historical debts were selected across the Council's services. Each invoice's status and accompanying Income Unit records were checked in the financial ledger to discover what action has been taken to try to recover the debts.
- 3.2 It was seen that all debts have been subject to recovery action, but at times there were long periods of time between action notes within the Income Unit's records. This seems to be the result of two main factors, namely resources and communication. Since the Income Unit prioritises debts, it is inevitable that some invoices are set aside for periods of time. Debt can be 'flagged' within the system, but the flags can not be programmed to remind officers of the need to revisit it after a specific time period. In addition, the Income Unit often cooperates with the Services to recover debts, but recovery action can be delayed because inquiries from the Income Unit are not answered or recorded, which suggests a lack of ownership of responsibilities in the recovery process, before referring the debt to the Legal Service.
- 3.3 A sample of ten outstanding historical debts that had been referred to the Legal Service was also selected. The Income Unit's records suggested that many of the debts had not been actioned on since they were referred, some as far back as 2013. However, it was found that the majority of them had been subject to recovery action, but it did not appear that the Income Unit was aware of the latest developments in each case because the Legal Service had cooperated with the Service that provided the service/product that gave rise to the invoice. Some cases were closed by the Legal Service, but there was nothing to suggest that the Income Unit was aware of this.

- 3.4 It was found that the current officers of the Legal Service were not aware of two historical debts that had been referred to the Service. These invoices correspond to a period of time before the Service changed their debt recovery arrangements to a more automated process which now means the commencement of the legal process immediately after the referral, in response to historical concerns about the process. The Legal Service and Income Unit agree that the new arrangements are a significant improvement. As the audit sample encompasses debts historical in nature, the sample was expanded to include debts actioned under the newer system. It was found that a letter had been sent to a debtor soon after the debt was referred to the Legal Service outlining the Council's intention, and that there was communication between the Income Unit and Legal Service 14 and 28 days after the letter was sent to confirm that no payment was made and no change in the debt's status. It was found that a payment arrangement was later made with the debtor.
- 3.5 Past audits have identified a lack of communication between the Income Unit, Legal and relevant services, but it has now been found that the arrangements have tightened.

4. **Audit Opinion**

(B) **Partial assurance can be expressed of the propriety of debt recovery arrangements as there are controls in place, but there are aspects where some arrangements could be tightened. The Services have already implemented steps to improve the arrangements and have committed to implement the following steps to mitigate the risks highlighted:**

- Ensure that the Legal Clerk has access and the necessary training on the financial ledger to be able to record updates on the 'scratchpad' within the system.
- The Legal Service to record updates on the status of any debt on the 'scratchpad' within the financial ledger, in order to ensure that up-to-date information is available to all relevant officers.

**FAMILIES FIRST GRANT
CHILDREN AND SUPPORTING FAMILIES**

1. Background

- 1.1 The Welsh Government Guidelines on 'Families First' states that this program was an innovative one that promotes local authority areas to develop effective multi-agency support and systems for families, especially for parents living in poverty, with emphasis on prevention and early interventions.
- 1.2 Families First is a key response to the Welsh Government's Child Poverty Strategy. The strategy has three objectives, and Families First is an important driver to achieve these objectives:
- a) Reduce the number of families living in a workless home:
 - b) Improve the skills of parents/carers and young people living in low income households so that they can get work that pays well; and
 - c) Reduce the inequalities that exist in health, education and economic outcomes for children and families by improving the outcomes of the poorest - with a focus on supporting families to achieve better outcomes for children.

2. Purpose and Scope of Audit

- 2.1 The purpose of the audit was to ensure that the Families First revenue grant money was administered appropriately and in accordance with the terms of the grant. The audit covered the verification of internal controls for the administration of this grant, which included testing some financial transactions.

3. Main Findings

- 3.1 The original application was approved by the Welsh Government in 2012 based on the document 'Parenting & Family Support in Gwynedd, Commissioning Strategy 2012-2017' which has underpinned the plan throughout the period.
- 3.2 The expected provision is detailed in schedule 1 'The Purposes' in the Funding Award letter in relation to the Families First grant, and the Council's plan has been approved based on this detail, the expenditure also complies.
- 3.3 The Monitoring and Evaluation Officer is responsible for monitoring and receives a quarterly report from the providers. Any deficiency is highlighted during this process and consequently action is expected to mitigate it.
- 3.4 Progress on the project is reported quarterly to the Welsh Government as well as financial information. In addition an annual report is submitted following the end of the financial year. This report focuses on the expected strateg/output identified and therefore is easy to monitor (SMART objectives).

- 3.5 There is one risk register but this goes back to the start of the project where the main risks that have been identified relate to the tendering process. There is no evidence that an existing risk register exists and therefore suggests that no formal monitoring is underway to ensure that project risks are mitigated. It is agreed that it is important to ensure that such a register is created to end the current project up to March 2018 and for the new project/ grant to follow.
- 3.6 Payments are paid to 3rd parties in accordance with the Service Level Agreement. The purpose of the grant is clearly stated in the agreements and the beneficiaries are required to report quarterly on the progress being made. The Monitoring and Evaluation Officer ensures that only eligible expenditure is claimed.
- 3.7 Beneficiaries are paid against invoices quarterly, and this money is reclaimed from the Welsh Government. Invoices are also checked for accuracy.
- 3.8 A budget has been set for the grant and there is evidence that this has been profiled in accordance with the terms of the grant.
- 3.9 Unlike previous years, the Welsh Government had requested only three applications for funding during 2016/17. The first claim to be submitted by 07/07/16 (01/04/16 - 30/06/16), the second by 01/01/17 (01/07/16 - 31/03/17 including projection of funding expenditure) and the final statement by 30/04/17 (annual financial information up to 31/03/17). Evidence was seen to confirm that claims had been submitted within the required timescales e.g. final application dated 28/04/17. The first claim has been signed by the Children and Young People's Delivery Manager and claims 2 and 3 by the Finance Manager.

4. Audit Opinion

(A) **Assurance of financial propriety in the administration of the Families First Grant can be expressed as controls are in place and are followed. The Monitoring and Evaluation Officer has committed to implement the following steps to mitigate the risk highlighted:**

- Ensure that there is a risk register to mitigate risks associated with the end of the current project in March 2018 and the new funding / project that is to follow.

**EARLY CHILDCARE OFFER GRANT
CHILDREN AND SUPPORTING FAMILIES**

1. Background

- 1.1 The Welsh Government is committed to offering 30 hours a week of childcare and early education funded by the Government for 48 weeks a year, for working parents and registered guardians who have three and four year olds in Wales, by the end of the current Assembly's term. The purpose of the Finance is to enable the Authority to implement the early childcare proposal (the proposal) in specific areas and for agreed-upon numbers of children in the area from September 2017.

2. Scope and Purpose of Audit

- 2.1 The purpose of the audit was to ensure that the Early Childcare Offer funding grant was properly administered and in accordance with the terms of the grant.
- 2.2 The audit covered the verification of internal controls for the administration of this grant, which included examining some of the 2017/18 financial transactions.

3. Main Findings

- 3.1 The Welsh Government has identified a better offer for childcare as a priority, and has nominated Gwynedd and Anglesey to be a joint early operator, with the intention of working together with the Government from 17-18 onwards and helping to test the plan before it goes national in 2020.
- 3.2 The expected provision is detailed in schedule 1 'The Purposes' in the Funding Award letter in respect of a Childcare Grant grant, and the Council operates based on this detail and the expenditure complies as well.
- 3.3 The Gwynedd and Môn Strategic Childcare Officer is responsible for the administration of the grant and takes responsibility for completing a monthly monitoring form - which includes the number and hours of childcare provision and also a claim form that shows the expenditure against the claim. The officer is also responsible for the completion of quarterly reports for September to December 2017, and January to April 2018 to be submitted by 31 January 2018 and 30 April 2018. Evidence was received that the monthly monitoring forms were completed, and these make it easy to determine if numbers are likely to increase.
- 3.4 In addition to reporting regularly on progress to the Welsh Government, reports are also discussed at the monthly meetings of the Gwynedd and Anglesey Childcare Strategic Board.

- 3.5 Payments are paid to 3rd parties in accordance with the agreements with the Council. A sample of providers' BACS details were checked and found to be accurate. In addition a sample of parents was checked to ensure that the qualifying tests were carried out appropriately and that they met the criteria. These were found to be accurate in accordance with the Government guidelines and that appropriate procedures were in place to ensure that proper evidence was received before grant funding was rewarded. The purpose of the grant is clearly stated in the agreements and the Gwynedd and Anglesey Childcare Officer and administrative staff ensure the accuracy of the costs claimed.
- 3.6 Providers' invoices are paid monthly, and this money is reclaimed from the Welsh Government.
- 3.7 A budget has been set for the grant and there has been evidence that this has been profiled in accordance with the terms of the grant.
- 3.8 An application form, based on a Welsh Government template, is used for claiming Finance. The monthly payment must be claimed on a back-pay basis, based on the expenditure incurred for services provided. Evidence showed that the application for 4 September 2017 to 1 October 2017 had been claimed before the set deadline, 6 October 2017 and that it had been signed by an authorised officer, the Early Years Quality Improvement Officer.
- 3.9 This is the first year of this specific grant and therefore no final application has been submitted to date. However, the final application for up to 31 March 2018 is expected to be claimed by 6 April 2018

4. Audit Opinion

- (A) Assurance of financial propriety in the management of the Early Childcare Offer Grant can be expressed as controls are in place and are followed.**

DEPOTS HIGHWAYS AND MUNICIPAL

1. Background

- 1.1 In December 2016, following a court case, the council were fined £70,000 and £3,400 for contravening the Environmental Permitting Regulations (Wales and England) 2010 and the Environmental Protection Act 1990 respectively. This was a result of an inspection visit at Tywyn Depot by National Resources Wales on February 24th 2016. The council operate under *Waste Exemption: NWFD3 - 'temporary storage of waste at a place controlled by the producer'*. An additional permit was not required, however the conditions of the exemption state that no more than 50m³ can be stored on site at any time, no waste can be stored for more than 3 months and waste with different EWC codes must not be mixed. The waste at Tywyn Depot contravened all 3 of these regulations. The waste was transferred but only one EWC code was used on the waste transfer note (WTN) despite four different types of waste being transferred according to EWC classification.

2. Scope and Purpose of Audit

- 2.1 The purpose of the audit was to ensure appropriate controls had been established in order to manage Highway Depots and reduce risks appropriately, while ensuring compliance with the Council, Government and the Environment Agency's regulations.

3. Main Findings

- 3.1 A sample of 5 depots were selected for the audit: Cibyn, Tywyn, Rhiwbryfdir, Ffordd Y Bala and Afonwen. A visual audit was conducted at each site as well as an audit of the relevant paperwork.
- 3.2 Suitable skips to store concrete waste and bitumen waste were present at all depots visited. Very little bitumen containing 'Coal Tar' remains in Gwynedd, therefore none of the depots were currently storing it or likely to in the future. A 'core' test would be carried out if any bitumen suspected of containing 'coal tar' would need to be removed.
- 3.3 'Road Planings' were being stored as material for re-use at two of the depots visited during the audit. Confusion has occurred as a result of the definition of what is considered waste. In some cases, 'road planings' have been purchased as a material soon after paying to remove similar materials from the site in order to comply with NWFD3. Some of the area managers were eager to receive more information on what exactly defines material as waste and whether re-classification as a building material is possible. A specific permit and/or equipment is required in order to do this, as waste needs to be screened before being re-classified as a material. Applying for an S2 permit for specific sites would enable the storage of up to 500 tonnes of material such as 'Road Planings' for a period of up to 12 months; however, a lack of suitable locations is a barrier.

- 3.4 The visual inspections confirmed that less than 50m³ of waste was being stored at the depots that were visited; waste was kept tidily and not mixed. The site manager at Ffordd y Bala depot explained that a bay filled with 'aggregate' would be used to store concrete waste once the 'aggregate' had been disposed of.
- 3.5 A site management plan was available at all depots visited, which were accessible to staff if required. The site management plans at each depot contained waste monitoring forms to record when waste is received, its weight and by when it needs to be disposed. This monitoring form had been completed at Cibyn Depot but not at the other four sites. All the information required however was recorded and available through other means such as a 'job note' or a waste transfer note from the companies' collecting the waste. The method used to record this information was not of importance as long as it had been recorded correctly and was available at each depot.
- 3.6 The Assistant Engineer Environmental Quality Assurance has created a standard waste transfer note to be used by each depot. This waste transfer note includes 'tick boxes' to avoid the use of incorrect EWC codes. Evidence of its use was seen as well as the use of similar versions created and used by the companies' providing the waste disposal service. As a result, it was highly unlikely for waste to be transferred using the incorrect EWC code.
- 3.7 A copy was received of the Powerpoint presented by the Assistant Engineer Environmental Quality Assurance as part of Highways staff training. She explained that it was comprehensive and provided details of permits, how to store waste and the importance of using a waste transfer note. Evidence was also provided of attendance in sheets completed by the candidates who attended the training courses.

4. Audit Opinion

(B) Partial assurance of propriety can be stated in the management of Highway Depots, however there are some aspects that could be improved. The site managers have committed to implementing the following steps to reduce the highlighted risks.

- Remove or dispose of aggregate at Ffordd y Bala Depot, Dolgellau in order to use the bay to store concrete waste only.
- Consider applying for an S2 license if waste such as 'Road Planings' need to be used as a building material 3 months' later than the date they were introduced to be stored at the depot.

HOUSING WAITING LIST ADULTS, HEALTH AND WELLBEING

1. Background

- 1.1 The Gwynedd Common Housing Register Policy was established in order to develop a housing register that provides a single access point to social housing in Gwynedd. The aim is to operate a system that is easy to understand and enables the applicants to select from the options available. The Common Housing Allocation Policy was created to prioritize applicants based on points and categories, which prioritize applicants with the greatest need. The Housing Associations receive shortlists from Gwynedd based on these points and allocate accommodation to families with the highest point score for their preferred type of allocation in their preferred area.

2. Purpose and Scope of Audit

- 2.1 The purpose of the audit was to ensure Gwynedd's Housing Waiting List is being administered appropriately by prioritizing applicants in a fair and transparent manner, and to ensure the waiting lists are kept current and correct. In order to achieve this, the audit aimed to verify the waiting list and arrangements in place to ensure the accuracy of information and avoid fraud as well as verifying how a sample of applicants were prioritized.

3. Main Findings

- 3.1 The Housing Allocation Policy aims to ensure a fair and transparent process exists to prioritize applicants based on need. Despite there being justification for deciding who receives accommodation, there are many factors that affect who is considered for inclusion on a waiting list, not only the number of points on their application. This can appear frustrating to applicants and make it difficult for Gwynedd's staff to explain and justify who the housing associations decide to accommodate.
- 3.2 The Housing Options Team are currently in discussions with Capita to transfer to a new system, with the intention of supplanting the current 'Academy Housing' system and adopting 'Open Housing'. Gwynedd and Woking Councils will trial the new system. The key implications of the new system will be the use of online application forms rather than the current paper based format. It is envisaged that this will reduce the amount of inputting the team will be required to do and allow more time for verifying and assessing applications. The main concern is the affect this may have on the elderly and vulnerable applicants without Access or the ability to use the online system.
- 3.3 Proof of identity is required with new applications. A sample of applications were selected which provided evidence that Gwynedd contacted applicants if appropriate evidence was not received. When the additional evidence was not received, applications would not be assessed further, therefore the applicant could not be included on a waiting list.

- 3.4 Points were awarded on each application where the eligibility criteria was met. The Housing Options Team had received evidence to support this. Accommodation is not necessarily allocated to the applicant with the highest score. The policy specifies any exceptions, and many examples were seen of shortlists being created for a specific property. It was evident that the Officers verify applicants' circumstances, evaluate, and assess them against the type, size and location of the property whilst considering any preferences the Housing Association offering the tenancy may have.
- 3.5 A large number of applications are received by the Housing Options Team and it is assumed that approximately 750 shortlists are created annually. The Housing Options Team Leader explained that he verified each one in the past, which delayed the process. By now, he only verifies a sample; however, a number of meetings and discussions are held with the team's members if a specific shortlist needs to be discussed.
- 3.6 The current policy states that Gwynedd aim to review each application within 6 months. The amount of applications received mean that it is difficult to achieve this target. Many instances were seen where reviews had taken place and applications cancelled where requested information was not received. The Housing Options Team Leader noted that a new policy was due in December, which would state that the target to review applications would increase to 12 months. All correspondence with applicants are recorded on the Capita system.
- 3.7 No formal procedure exists to notify the team of a change in applicants' circumstances. E.g. Deaths. The Registration Officer provides details of deaths registered in Gwynedd to 'Tell Us Once' and to a list of officers/individuals within the council. This list is verified/controlled by the Home Office/General Register Office but does not include a member of the Housing Options Team. There is no procedure or system in place either, which allows individuals from this list to share the information among other departments and Services within the Council. During an activity for the National Fraud Initiative, data from the Department for Work and Pensions (DWP) was compared with data from the waiting list. One individual had remained on the list for a number of months following his death.

4. Audit Opinion

(B) Partial assurance of propriety can be stated in the administration of the Housing Waiting List due to controls being in place; however, there are some aspects that could be improved. The Housing Options Team have committed to implementing the following steps to reduce the highlighted risks.

- Monitor the evolution of the new system to ensure an effective means of referring individuals such as the elderly and vulnerable to ensure they receive support and assistance to complete an online application.
- Enquire whether it is possible to find a solution to receive current and useful data regarding the deaths of certain individuals for the purpose of removing their applications.