

COMMITTEE **AUDIT AND GOVERNANCE COMMITTEE**

DATE **27 SEPTEMBER 2018**

TITLE **OUTPUT OF THE INTERNAL AUDIT SECTION**

PURPOSE OF REPORT **TO OUTLINE THE WORK OF INTERNAL AUDIT FOR THE PERIOD TO 14 SEPTEMBER 2018**

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ACTION **TO RECEIVE THE REPORT, COMMENT ON THE CONTENTS AND SUPPORT THE ACTIONS THAT HAVE ALREADY BEEN AGREED WITH THE RELEVANT SERVICES**

1. INTRODUCTION

1.1 The following report summarises the work of the Internal Audit Section for the period from 1 April 2018 to 14 September 2018.

2. WORK COMPLETED DURING THE PERIOD

2.1 The following work was completed in the period to 14 September 2018:

Description	Number
Reports on Audits from the Operational Plan	14

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

2.2 Audit Reports

2.2.1 The following table shows the audits completed in the period to 31 March 2018, indicating the relevant opinion category and a reference to the relevant appendix.

TITLE	DEPARTMENT	SERVICE	ASSURANCE LEVEL	APPENDIX
Safeguarding Arrangements – Domestic Abuse	Corporate	-	Limited	Appendix 1
School Uniform Grant	Education	Resources	High	Appendix 2
Pupil Development Grant	Education	Resources	Satisfactory	Appendix 3
Education Improvement Grant for School	Education	Resources	High	Appendix 4
School Admissions	Education	Resources	High	Appendix 5
Council Tax Debt Suspension and Write-Off	Finance	Revenue	High	Appendix 6
Business Rates – Valuation List	Finance	Revenue	High	Appendix 7
Arfon Leisure Centre	Economy and Community	Leisure	Satisfactory	Appendix 8
Income Collection – Maritime and Country Parks	Economy and Community	Maritime and Country Parks	Satisfactory	Appendix 9
Home Care – Travelling Costs	Adults, Health and Wellbeing	Community Care	Satisfactory	Appendix 10
Plas y Don	Adults, Health and Wellbeing	Residential and Day	Satisfactory	Appendix 11
Plas Hedd	Adults, Health and Wellbeing	Residential and Day	Satisfactory	Appendix 12
Hafod Mawddach	Adults, Health and Wellbeing	Residential and Day	Satisfactory	Appendix 13

TITLE	DEPARTMENT	SERVICE	ASSURANCE LEVEL	APPENDIX
Cefn Rodyn	Adults, Health and Wellbeing	Residential and Day	Satisfactory	Appendix 14

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

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

3. FOLLOW-UP WORK

3.1 New arrangements have been established for follow-up audits. In 2017/18, a total of 163 actions were agreed to be undertaken before 31 March 2019. Following a request made to the Units/Services for information and evidence on progress agreed actions, as at 14 September 2018, there was acceptable implementation on **38.65%** of the agreed actions, i.e. 63 out of 163.

4. RECOMMENDATION

4.1 The Committee is requested to accept this report on the work of the Internal Audit Section in the period from 1 April 2018 to 14 September 2018, comment on the contents in accordance with members' wishes, and support the actions agreed with the relevant service managers.

SAFEGUARDING ARRANGEMENTS – DOMESTIC ABUSE CORPORATE

1. Background

1.1 The Violence against Women, Domestic Abuse and Sexual Violence (Wales) Act 2015 has been in force since 2015. In accordance with Section 15 of the Act, Statutory Guidelines was published by the Welsh Government in March 2016, namely a national training framework that makes it mandatory for all relevant authority staff (including county councils) to complete awareness training. According to the Statutory Guidelines:

- 50% of relevant authority staff must complete the training within 12 months of the publication date of the statutory guidance
- 100% of relevant authority staff must complete the training within 24 months of the publication date of the guidance (i.e. by March 2018).

2. Purpose and Scope of the Audit

2.1 The purpose of the audit was to ensure that appropriate arrangements are in place in order to comply with the national training framework on violence against women, domestic abuse and sexual violence. In order to achieve this, the audit encompassed ensuring that all staff members have completed awareness raising training within the timetable.

3. Audit Level of Assurance

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

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

4. Current Score Risk

4.1 The audit has found that some risks require further attention:

<u>Risk Level</u>	<u>Number</u>
VERY HIGH	0
HIGH	2
MEDIUM	1
LOW	0

5. Main Findings

- 5.1 In order to meet the training requirements, a national 'Domestic Abuse' e-learning module has been developed, and all office workers can complete it at their desk. In addition, a paper version is available for those who do not have access to a computer. At the end of July 2018, Corporate Support statistics indicated that just over 1,500 employees had completed the training out of a workforce of over 7,000, which shows that the Council has not met the targets. It therefore seems that barriers exist that prevent officers from undertaking the training.
- 5.1.1 An office worker can complete the training quite easily, as the module is available on their computer. The only barriers that prevent officers from carrying out the training are lack of motivation, lack of awareness of the need to complete it, and a lack of time, as the training can take up to an hour.
- 5.1.2 The Council is responsible for ensuring that the targets are met, and is therefore responsible for ensuring that appropriate processes are in place to enable officers to complete them. This is done through the Safeguarding Operational Panel, which meets on a timely basis to discuss Safeguarding issues, such as Domestic Abuse, which includes representatives from each department. The Panel has to rely on the departments to ensure implementation on Safeguarding issues, including the statutory training requirements, but this message either does not reach everyone, isn't strong enough, or the structures are not in place for them to enable implementation.
- 5.1.3 Although it is possible to produce a report that lists the names (and department) of those who have completed the training, it is not possible to produce a report that lists who has not. It is of course possible to interpret this from the original report, but it is a time consuming task. Timely reports like this, targeted to the relevant managers would certainly increase the number of workers that complete the training. In addition, a corporate message, such as by email or / and on the intranet would increase the numbers, whether by formal order, or by encouragement utilising nudge theory (a method of influencing without enforcing).
- 5.1.3 There appears to be many more barriers to those workers who are employed by Gwynedd Council but do not work in an office (such as Teachers, Community Carers, Road Workers etc.), from completing the training. As they do not have a Gwynedd Council email address, it is not possible to send them a generic email to encourage them to carry out the training so they are dependent on guidance from their managers. Following discussions with relevant managers (such as residential care home managers) it was expressed that it was difficult to set aside time, because it would require them to be removed from their front line work.
- 5.1.4 Although the purpose of this exercise is to complete the training, its overall success derives from how well the training's content is and if officers are now aware of the signs of domestic abuse, the actions they should take and the help available. The Council's statistics cannot deduce this.
- 5.1.5 Domestic Abuse is one of a series of Safeguarding training which Council employees are expected to complete. Other training includes 'Modern Slavery', 'Counter Terrorism' and 'County Lines' for example. Although the Council does not have a statutory requirement to ensure that everyone completes these, procedures that facilitate employees to complete training lead to stronger general Safeguarding arrangements.

6. **Actions**

The Safeguarding Operational Panel Chairman has committed to implement the following to mitigate the risks highlighted.

- Safeguarding Operational Panel to incorporate the report's findings into a work programme.

SCHOOL UNIFORM GRANT EDUCATION

1. Background

- 1.1 The 'Funding Award in relation to the 2017-18 Welsh Government School Uniform Grant Scheme' letter expressed that it is the responsibility of the Council to 'submit three-yearly audit reports as outlined in the letter on 24 November 2008'. On 09/07/2017 an email was received from Paul Davies of the Welsh Government stating that the grant will cease after 2017/18 and that it was necessary to 'provide the required documentation [*The Audit Certificate*] to me in hardcopy by no later than 30 September 2018'.

2. Purpose and Scope of Audit

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

3. Audit Level of Assurance

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

Assurance Level	Description
HIGH	Certainty of propriety can be stated as internal controls can be relied upon to achieve objectives.

4. Main Findings

- 4.1 It was found that the offer letter for 2017/18 had been signed by the appropriate officers and was completed promptly to be returned within the timetable. It was also found that the claim forms were completed promptly in accordance with the requirements of the Welsh Government.
- 4.2 The benefits system was checked and each individual from the selected sample was found to be eligible for the school uniform grant. Pupils from the sample were found to be of the right age and attended schools in Gwynedd. A letter was sent to each individual from the selected sample to inform them of their eligibility for the grant.
- 4.3 The Hb6601a report generated by the Benefits Service, the financial ledger and the claim forms were checked. It was found that 175 payments of £105.00 were made from the AC15 6081 code. One of these was refund to the same account as a result of a non-banked cheque by one person for more than 6 months. This meant that there were 174 payments to parents/guardians made over the financial year 17/18.
- 4.4 The value of 169 payments was claimed by the Welsh Government in 2017/18 as the Council had already received 4 payments as a result of over claims (2014/15, 2015/16 and 2016/17) giving a total value of 173 payments that the Council received of funding to allocate. It was therefore seen that the Council had under claimed 1 payment of £105.00 for 2017/18. The Senior Accountant stated that this £105.00 could not be claimed in 2018/19 as the grant has expired.

PUPIL DEVELOPMENT GRANT EDUCATION

1. Background

- 1.1 The purpose of the Pupil Development Grant (previously known as the Pupil Deprivation Grant) is to improve outcomes for students who are eligible for free school meals and looked after children. It is intended to overcome the additional barriers that prevent learners from disadvantaged backgrounds from fulfilling their full potential.
- 1.2 The grant is delegated to the Schools / early years providers, excluding the 'Looked after Children' element, and is managed regionally by the Local Education Consortium, GwE. GwE is also responsible for ensuring that schools meet the requirements of the grant and support them to that end. Gwynedd Council is the Lead Authority on behalf of the North Wales Authorities.

2. Purpose and Scope of Audit

- 2.1 The purpose of the audit was to confirm the correctness of the Audit Certificate, a statement of the Authority's expenditure for the 2017/18 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 Gwynedd Council and GwE payments in the form of invoices, journals and salaries in relation to the different elements of the grant, ensuring they were reasonable and consistent with the objectives of the grant. In addition, the audit ensured 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. Audit Level of Assurance

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

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

4. Current Score Risk

- 4.1 The audit has found that some risks require further attention:

<u>Risk Level</u>	<u>Number</u>
VERY HIGH	0
HIGH	0
MEDIUM	1
LOW	0

5. Main Findings

- 5.1 It was found that there were appropriate arrangements in place for the administration of the Pupil Development Grant. Expenditure on the Audit Certificate was reconciled with the financial ledger and a sample of costs was trailed back to its sources. The expenditure examined was found to be reasonable and consistent with the objectives of the grant. In addition, there were appropriate arrangements for claiming the funding in accordance with the terms and conditions of the grant and it was found that the appropriate amount of funding had been allocated to the Authorities and delegated directly to Gwynedd schools.
- 5.1.1 It is expected that all providers publish their grant allocation online, or if they do not have a website, send a copy of their 'Spending Plan' to GwE. Only seven school spending plans were visible on the GwE website for 2017-18. The figures in the plans reconciled with the actual grant in five cases out of the seven. Three other schools were randomly selected to see if the GDD grant allocation was visible on their websites, but this was only seen in one case.
- 5.1.2 Eight school development plans were reviewed randomly, and it was found that the GDD element was included in seven plans within the sample, while the actual figure reconciled in five cases.
- 5.1.3 The GwE Advisers have undertaken monitoring visits to schools during the year and received evidence of their expenditure. Although the schools are not required to publish their allocations for the 2018-19 grant, GwE is eager to ensure compliance by publishing 2017-18 details before the end of September 2018.

6. Actions

GwE has committed to implement the following steps to mitigate the risks highlighted.

- **GwE administrative team to publish every school's Pupil Development Grant spending plan, unless it is already published on the school's own website.**

**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 2017-18 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 2017-18 Education Improvement Grant, to mitigate risks in accordance with the terms and conditions of the grant. 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. Audit Level of Assurance

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

Assurance Level	Description
HIGH	Certainty of propriety can be stated as internal controls can be relied upon to achieve objectives.

4. Main Findings

4.1 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.

SCHOOLS ADMISSIONS EDUCATION

1. Background

1.1 All applications for entry to Gwynedd schools are accepted and processed by the School Information and Access Officer, with places granted based on the criteria confirmed in the Gwynedd School Admissions Policy.

2. Purpose and Scope of Audit

2.1 The purpose of the audit was to ensure that suitable arrangements were in place for the receipt and processing of applications for places in the Nursery and Reception classes of Gwynedd schools. In order to achieve this, the audit covered checking a sample of applications to various schools to ensure that places were granted in accordance with the criteria as detailed in the Gwynedd School Admissions Policy.

3. Audit Level of Assurance

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

Assurance Level	Description
HIGH	Certainty of propriety can be stated as internal controls can be relied upon to achieve objectives.

4. Main Findings

4.1 A sample of 5 primary schools (Dolbadarn, Y Gelli, Glancegin, Y Faenol and Y Garnedd) were selected, then the application forms for 2018/19 were randomly selected and checked in order to ensure that places were granted in accordance with the criteria. Each school has an access number, which is the number of children that could be admitted based on the size of the school, with the Gwynedd School Admissions Policy confirming that no application can be refused until the entry number has been reached. From the sample, it was only Ysgol y Gelli that received more applications than places available. All application forms for places were checked in the reception class 2018/19. It was found that there were suitable arrangements in place for processing the applications, with the correct applications rejected in accordance with the prescribed criteria.

COUNCIL TAX SUSPENSION AND WRITE-OFF FINANCE

1. Background

- 1.1 Approximately, £67million of revenue was collected during 2017/18 with a collection rate of 97.13% for bills set in the 2017/18 financial year. It is estimated that around £77million of income is to be collected for 2018/19.
- 1.2 The service can choose to suspend recovery arrangements for any given property, account, specific notices and / or accounts either under enforcement arrangements, temporarily or indefinitely on the council tax system. Suspensions mean that balances will be prevented from being recovered for a variety of reasons, such as time to respond to taxpayer's enquiries and grievances, taxpayer cannot be located, taxpayer's death etc. Out of the reports produced on 25/07/2018, it was reported that there were in total 4000 of suppressions on the system with balances owing (6244 of suspensions were without any balances on the system).
- 1.3 Where it is not possible to recover Council tax debts, there is an option for the Service to write off any debts by submitting a request to the Senior Manager Revenue and Risk and the Head of Finance, and in consultation with the Finance Cabinet Member for requests over a specified threshold. During 2018 approximately £155.5k of debts were written off.

2. Purpose and Scope of Audit

- 2.1 The purpose of the audit is to ensure that appropriate procedures are in place to provide assurance on the implementation of council tax suppressions and write offs of debts. To achieve this, the audit covered the review of the guidelines and procedures in place, including reviewing the arrangements to provide assurance on the internal controls and testing of these controls by checking a sample of suppressions and write offs incurred in 2018/19.

3. Audit Level of Assurance

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

Assurance Level	Description
HIGH	An appropriate assurance can be given as the internal controls can be relied upon to achieve objectives.

4. Main Findings

- 4.1 Strong internal controls are in place for implementing suspensions and write offs of council tax debts. A random sample of 80 suppressed accounts were selected and a sample of 12 write offs for 2018/19 in order to ensure that suppression and write off of council tax debts had been carried out in an appropriate manner.
- 4.1.1 It was found that there are two main types of suppressions used on the system, 'Diary Dates' and 'Circumstance Codes', and different codes exist within these types, which give the user the details/reasoning for the suppressions. It was found that there were appropriate arrangements for the operation and administration of these suppressions.

It was discovered that when there is the need to, the service allows suppressions to be set up to the end of the current financial year. Once the date expires, the recovery process continues. Reports from the 'Diary Dates' are run on a monthly basis and reviewed by the Taxation Manager. General working arrangements for each 'Circumstance Codes' ensure that the accounts are reviewed.

- 4.1.2 From the sample of suppressions checked, all appear to be valid, with reason / evidence on the file to support them and evidence that further action occurred after the expiry date.
- 4.1.3 An audit trail was found to be in place for identifying suppressions placed on the system.
- 4.1.4 The debt write-off procedure was reviewed and it was found that the arrangements complied with the Council's financial regulations. For a sample of debts written off in 2018, it was found that there was appropriate documented evidence and that the transactions had been properly implemented at all times.
- 4.1.5 The Revenue Systems Manager stated that provision to allow written off debts to be restored was allowed in cases where the taxpayer was able to be located.
- 4.1.6 Although 'Circumstance Codes' reports recognise that a high number of accounts have been suspended, a high percentage of these have been found to have no balance (i.e. zero balance) that distorts the true statistics. The issue was discussed with the Revenue Systems Manager who will consider disregarding these accounts from future reports.

BUSINESS RATES – VALUATION LIST FINANCE

1. Background

1.1 Business rates are taxes that are charged to most commercial and non-residential buildings like shops, offices etc. The tax is based on the rateable value of the property at a given date, determined by the Valuation Office and then multiplied by the national multiplier set by the Welsh Government. The Council is responsible for collecting the tax on behalf of the Welsh Government.

2. Purpose and Scope of Audit

2.1 The purpose of the audit was to ensure that appropriate arrangements were in place to ensure the accuracy and completeness of the pricing list maintained. In order to achieve this, the audit included the reconciliation of data within the Business Rates system with the Valuation Office reports.

3. Audit Level of Assurance

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

Assurance Level	Description
HIGH	Certainty of propriety can be stated as internal controls can be relied upon to achieve objectives.

4. Main Findings

4.1 A sample of recent Valuation Office reports were reviewed and the information reconciled with the details on the Council's Business Rates system, Academy. A random sample of the reports of individual businesses were checked and it was found that the information reconciled with Academy. The totals of the rateable values and the number of hereditaments were reconciled and seen to be appropriate, with an explanation of any differences. The multiplier for 2018-19, which is 0.514, is appropriately programmed within the system.

**ARFON LEISURE CENTRE
ECONOMY AND COMMUNITY**

1. Background

1.1 Gwynedd Council Leisure Centres are part of the Healthy Communities service which is within the Economy and Community Department. There are four Area Managers who are responsible for managing the Centres under the Authority's control. The Arfon Leisure Centre provides a number of services for the public, including a swimming pool, a weights room and fitness classes.

2. Purpose and Scope of Audit

2.1 Ensure that robust arrangements have been established in the leisure centres, 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 involved visiting a sample of four Leisure Centres in Gwynedd for audit 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. During the audit, the Arfon Leisure Centre was visited unannounced.

3. Audit Level of Assurance

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

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

4. Current Score Risk

4.1 The audit has found that some risks require further attention:

<u>Risk Level</u>	<u>Number</u>
VERY HIGH	0
HIGH	0
MEDIUM	3
LOW	0

5. Main Findings

5.1 Strong internal controls have been found to exist at the Arfon Leisure Centre, but some aspects need to be tightened, the areas that need attention are detailed below:

5.1.1 The centre has two vending machines that sell drinks. All staff are responsible for completing stock checks and recording the stock in and out of the store. The stock records were received and a sample was selected for checking but did not match what was in the store, it was clear that they had received stock that had not been recorded.

Later during the visit, the stock records were re-checked and found to be completely different records, further questions were asked and it became apparent that there were two files for stock records used in conjunction but with different records. The centre has now removed one of the files so that they have only one record.

- 5.1.2 The centre also sells goods in the reception such as 'goggles' and 'noodles'. There were no stock records for these at the time of the visit but new records were later received and it was confirmed that checks would take place on the first Wednesday of each month.
- 5.1.3 A monthly bad debtors' report is received from the Income Unit, it has been found that some clubs/individuals have had debt with the centre for several years. These appear to have not been reviewed by the centre at the time so that the validity of the debts can be reported to the Income Unit to recover the debts efficiently. Following the audit, the Area Manager agreed to review the bad debtors report with the Caernarfon and Bangor Area Administrator.
- 5.1.4 Weekly checks of the weight room had not been completed for several weeks. The Duty Manager explained that checks on the weight room are included in the 'Zone 2' checklist on the Legend System that is completed on a daily basis. However, it did not appear that these checks have been carried out recently either. As this check is included on two lists, the weekly list is to be deleted from the Legend System so that work is not duplicated.
- 5.1.5 The arrangements in place for safeguarding keys was found to be inadequate.
- 5.1.6 The centre's staff e-learning module training records were checked and it was found that only a small number had completed the safeguarding modules. It was explained that the intention is to get the employees to complete the safeguarding modules as well as data protection modules and GDPR in the coming weeks.

6. Actions

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

- **Complete checks on the weight room equipment and record them in the 'Zone 2' checklist on the Legend System.**
- **After receiving the spare key back, put an arrangement in place, where the two full-time Duty Managers retain the keys and ensure access to the additional key in the centre is restricted to only the necessary officers.**
- **Ensure that all staff complete the e-learning modules.**

INCOME COLLECTION – MARITIME AND COUNTRY PARKS ECONOMY AND COMMUNITY

1. Background

- 1.1 There are a number of beaches along the Gwynedd coast and several have received the Blue Flag award, which recognizes their high standards of environmental, educational, security and access requirements. Income such as parking and the launching of maritime vessels are collected on 8 of these beaches as well as harbours and country parks managed by the Maritime and Country Parks service

2. Purpose and Scope of Audit

- 2.1 The purpose of the audit was to ensure that suitable arrangements were in place in the Council's beaches, harbors and parks to manage the risks involved in income collection and banking. In order to achieve this, the audit covered selecting of a sample of beaches, harbors and parks for unannounced visits to ensure that they complied with the main principles that relate to the collection of Council income.

3. Audit Level of Assurance

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

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

4. Current Risks

- 4.1 The audit has found that some risks require further attention:

<u>Risk Level</u>	<u>Number</u>
VERY HIGH	0
HIGH	0
MEDIUM	1
LOW	1

5. Main Findings

- 5.1 Due to the increasing use of pay and display machines (collected by an external company), and card-paying machines, very little cash income is now collected. The Abersoch, Machroes, Morfa Bychan beaches and Porthmadog Harbour were visited during the inspection as cash was collected here mainly for registering and launching vessels and parking. Only a low number had paid to register / launch at Abersoch and Machroes on the day of the visit and the figures recorded balanced with the money collected in the cash box. Money collected in the cash box at Morfa Bychan beach also balanced with the number of tickets sold, but only card transactions had been received at Porthmadog Harbour.

- 5.1.1 Staff were present at Abersoch and Machroes beaches and Porthmadog Harbour but the fees and information on the services available were not displayed to the public. There was a clear, prominent sign on the Morfa Bychan beach displaying the fees for the different services such as parking, registration and launching.
- 5.1.2 Staff on the beaches and harbour are experienced and familiar with the duties of collecting income and banking. It was expressed that no training was given to them on income collection, as new staff are trained while shadowing experienced staff to ensure an awareness of the procedure in case some of the experienced staff were absent.
- 5.1.3 The Beaches Officer and Harbour Master explained that they had been instructed to complete a TR34cc form for each day; however, this is not necessary provided the sub-total for each day is indicated on the form. There are not many transactions on a daily basis to justify the completion of an individual form but because money is often banked, almost daily on occasions, there is a need to ensure that it is possible to differentiate how much income has been received on the different dates.
- 5.1.4 Income from entry fees to Parc Glynllifon are collected by the 'Adra' company that runs a shop within the Park. 'Adra' produces a quarterly 'self-invoice' indicating how much money has been transferred to the Council. The Maritime and Country Parks Officer stated that there are no checks of the numbers of visitors or the money collected because of a lack of staff resources to carry them out. The accuracy of the figures cannot be assured, but the Service is confident that they are accurate.
- 5.1.5 The ledger shows no record of use of the surplus / deficit code when cash received does not reconcile with the expected amounts. There is no specific guidance to report on surplus / deficit at Morfa Bychan beach. The experienced staff indicated that minor mistakes can be made during busy periods but in general, situations seem to reconcile themselves by the end of the shift. It was explained that at times, surplus was kept to one side and used to reconcile the money when a deficit was identified.

6. Actions

The Maritime and Country Parks Officer is committed to implementing the following steps to mitigate the risks highlighted:

- **Ensure that there are leaflets highlighting the fees at all locations that collect income and that the fees are visible to customers.**

HOME CARE – TRAVELLING COSTS ADULTS, HEALTH AND WELLBEING

1. Background

- 1.1 Community Care Workers travel to a variety of locations in order to provide community care for residents in their communities. The workers then make weekly claims to the Council for the reimbursement of travel expenses, which are administered within their area office.
- 1.2 Following a significant overspend on Community Care Workers traveling costs in the past, in 2015/16 the administration, processing and approval of travel claims across the three areas of Gwynedd were examined to ensure their accuracy, that they were proportional with their rotas, and the visits are planned effectively. During the course of the audit, many weaknesses and inconsistencies were seen and recommendations were made to strengthen the process, and by the follow-up audit the overspend had reduced significantly.

2. Purpose and Scope of Audit

- 2.1 The purpose of the audit was to ensure that there are appropriate internal controls in the administration, processing and approval arrangements of Community Care Workers' travelling costs in order to ensure that the miles claimed were appropriate and in accordance with the expected travel with regards to their rota for the period, and within the Service budget. To achieve this, the audit encompassed verifying what controls are in place to ensure the accuracy of travel costs by selecting a recent sample of claims and comparing them with their rotas for the period in question.

3. Audit Level of Assurance

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

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

4. Current Score Risk

- 4.1 The audit has found that some risks require further attention:

<u>Risk Level</u>	<u>Number</u>
VERY HIGH	0
HIGH	0
MEDIUM	1
LOW	1

5. Main Findings

5.1 Since the original audit, the overspend on Community Care Workers' travel costs has reduced from around £128k in 2014/15 to £63k in 2017/18. It appears that the current arrangements have met their objectives.

5.1.1 The 2015/16 audit found that the checks made on travel claims focused on vehicle mileage clock readings rather than the total claimed and how this compares with their work rota. Although this would be a very burdensome administrative task considering the number of weekly travel claims processed and the lack of details that were presented, the fact that the appropriate checks were not carried out enabled some unreasonably high travel claims to be processed, and perhaps contributed to a culture among employees where this is considered acceptable.

5.1.2 Following the original audit, the Area Administrators carry out weekly checks on a sample of travel claims comparing the information on rotas with websites such as 'Google Maps'. Employees are aware of this following a letter sent out after the 2015/16 audit. However, the Administrators indicated that it is not practical to check a thorough sample in all cases. Although this can increase the risk of inappropriate claims, reducing the checks is consistent with the principles of Ffordd Gwynedd and the Council's self-service arrangements.

5.1.3 Recently, the Council has adopted a new arrangement where employees with an IT account can claim any travel and subsistence costs through a self-service system. As part of this arrangement, details of journeys are submitted online and does not require authorisation by a manager for the payment to be processed, but managers have a responsibility to ensure the appropriateness of claims and they do have the ability to refuse applications if they are of the opinion that they are inappropriate or inaccurate. The intention of the new procedure is to reduce the administrative burden attached to the previous paper claims requiring a line manager authorisation, certification by the budget holder and then inputted by administrative officers to the system to produce the payment. Community Care Workers do not currently use self-service, but in the future they are expected to use their PDA (Personal Digital Assistant) to claim travel costs, which will replace existing arrangements. It is proposed to revisit this area following the adoption of the new arrangement, to ensure that travel claims continue to be appropriate.

6. Actions

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

- **Continue to monitor the budget in every area.**
- **Discuss with IT the possibility of introducing self-service arrangements using PDA (Personal Digital Assistant).**

PLAS Y DON
ADULTS, HEALTH AND WELL-BEING

1. Background

1.1 Plas y Don is a residential home that offers permanent and short-term care for up to 30 residents.

2. Purpose and Scope of Audit

2.1 The purpose of the audit was to ensure that the management and maintenance arrangements of Plas y Don residential home were appropriate and in accordance with relevant regulations and standards. In order to achieve this, the audit included verifying that the home's arrangements were sufficient in terms of administration and staffing, budgetary control, procurement of goods and receiving income, health and safety, and monitoring performance along with ensuring that service users and their property were protected.

3. Audit Level of Assurance

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

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

4. Current Risks

4.1 The audit has found that some risks require further attention:

<u>Risk Level</u>	<u>Number</u>
VERY HIGH	0
HIGH	0
MEDIUM	3
LOW	2

5. Main Findings

5.1 The residential home was welcoming and friendly. CIW's¹ recent reports recognised adaptations and improvements that were seen at the Home. Management and maintenance arrangements at the residential home are generally appropriate but attention will need to be given to the following:

5.1.1 A sample of invoices were selected and it was found that a 'received' stamp was not used to record the date the invoice arrived at the Home. The received date is used instead of the invoice tax point in order to ensure accuracy, and improve the performance of prompt payment of invoices.

5.1.2 The Home's inventory requires updating.

¹ Care Inspectorate Wales (Formerly CSSIW – Care and Social Services Inspectorate Wales)

- 5.1.3 Although members of staff had not completed the necessary e-learning modules, the manager is already committed to acting on this by arranging for an Officer from the Corporate Support Department to visit the Home to ensure that all staff are provided with access and support to complete the modules without compromising the day-to-day running of the Home.
- 5.1.4 The money in the petty cash tin did not agree with the amount on the record sheet. The difference was a small amount of £4 and it was suggested that the error could be as a result of takings from the shop being included in error. It was found that a number of claims for repayment to the Imprest account were for sums greater than 2/3 of the total and that two claims exceeded the total of the account. Although the box was kept safe, the lock did not operate correctly and it could be easily opened without a purposeful key.
- 5.1.5 It was found that there was a mistake in medication stock records during the audit. There was no record that one of the residents had received a tablet on the MAR (Medicine Administration Record) sheet but the tablet had been removed from the 'Venalink' for that day. The Manager was committed to investigating this situation to seek clarification.

6. Actions

The Manager has committed to implement the following steps to mitigate the risks highlighted:

- **Ensure complete and accurate records are kept of all medication administration.**
- **Arrange for staff to complete the required e-learning modules.**
- **Update the Home's Inventory.**
- **Ensure that the petty cash account is administered appropriately and monitored and that a suitable container is used to store the money.**
- **Ensure that a received stamp is used on all invoices.**

**PLAS HEDD HOME
ADULTS, HEALTH AND WELLBEING**

1. Background

- 1.1 Plas Hedd residential home in Bangor offers permanent and short-term care for up to 28 residents.

2. Purpose and Scope of Audit

- 2.1 The purpose of the audit was to ensure that the management and maintenance arrangements of Plas Hedd Residential Home were appropriate and in accordance with relevant regulations and standards. In order to achieve this, the audit covered examining whether or not the home's arrangements were adequate in terms of administration and staffing, budgetary control, procurement of goods and income, health and safety, and performance monitoring together with ensuring that service users and their properties are protected.

3. Audit Level of Assurance

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

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

4. Current Score Risk

- 4.1 The audit has found that some risks require further attention:

<u>Risk Level</u>	<u>Number</u>
VERY HIGH	0
HIGH	0
MEDIUM	3
LOW	2

5. Main Findings

- 5.1 Staff files and their supervision records were checked. Supervision should take place every 2 months for each member of staff, but it has been observed that it can be up to 6 months on average at the home. The Manager stated that undertaking supervision every 2 months was very difficult with the limited resources available at the home.
- 5.2 The training database found that the Manager had attended a 'Financial Workshop Course' in 2014 and that the Clerk received 'Financial Arrangements' training in 2010. The Manager and Clerk were confident when interpreting the information they received from the accountancy service. The Clerk stated that it would be beneficial for her to receive basic training on the financial ledger so that she could access their budget and details of expenditure without having to rely on the accountancy service.

- 5.3 It was discovered that the Home had tried to pay 2 duplicate invoices. Neither the Manager nor Clerk were aware of this. The Clerk stated that a spreadsheet of the invoices of the Home had already been adjusted to identify duplicate invoices before they were sent to be paid.
- 5.4 From the sample of invoices and orders checked, it was found that some of them were not stamped with the date received, particularly the kitchen invoices. This was discussed with the Manager and Clerk and it was expressed that it would be beneficial for the kitchen to have its own date stamp in order to facilitate the action for the kitchen staff. It was also explained that writing the date by hand and signing it would be acceptable if there is no stamp available.
- 5.5 There is a need for all staff need to complete the domestic abuse e-learning module in accordance with Section 15 of the Violence Against Women, Domestic Abuse and Sexual Violence (Wales) Act 2015, where Government Statutory Guidance (March 2016) makes it mandatory for all Council staff to complete awareness raising training in the area. A majority of the staff had not completed the module at the time of the audit.
- 5.6 It was found that the Council's Medication Policy was available to the Home's staff in the medication room. It was found that 19 staff had signed the form titled '*A list of staff who are eligible to distribute medication*'. It was found that 11 members of the Home's staff had signed the form titled '*List of staff who have read and understood the medication policy for 2018*'. This meant that 11 of the 19 'qualified to distribute medication' had read and understood the Council's Medication Policy.
- 5.7 The Home's Statement of Purpose was found to contain the vast majority of the information required in accordance with Schedule 2 of the Regulated Services Regulations (Registration) (Wales) 2017. However, there was no reference to arrangements for supporting the religious needs of residents.

6. Actions

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

- **Conduct supervision more often.**
- **Ensure that all staff who are competent to distribute medication read and understand the Medication Policy and sign the relevant form.**
- **Ensure all staff complete the 'Domestic Abuse' e-learning module.**
- **Include the arrangements available at the home to support the religious needs of residents.**
- **Tighten the arrangements for stamping / dating invoices.**

HAFOD MAWDDACH HOME ADULTS, HEALTH AND WELLBEING

1. Background

1.1 Hafod Mawddach Home provides both long-term and short-term care for up to 25 residents who find it difficult to live independently within the community and who have been assessed as needing care.

2. Purpose and Scope of Audit

2.1 The purpose of the audit was to ensure that the management and maintenance procedures for Hafod Mawddach Residential Home were appropriate and in accordance with relevant regulations and standards. In order to achieve this, the audit covered checking that the home arrangements were adequate in terms of administration and staffing, budgetary control, procurement of goods and income, health and safety, and performance monitoring together with ensuring that service users and their properties are protected.

3. Audit Level of Assurance

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

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

4. Current Score Risk

4.1 The audit has found that some risks require further attention:

<u>Risk Level</u>	<u>Number</u>
VERY HIGH	0
HIGH	0
MEDIUM	4
LOW	1

5. Main Findings

5.1 Strong internal controls were found to be in place at Hafod Mawddach Home, but some aspects need to be tightened. The areas that need attention are detailed below:

5.1.1 It is expected that each resident's Care Plan is reviewed on a monthly basis. It was discovered, however, that this does not take place. A sample of 5 of the residents' care plans were checked during the inspection, and it was discovered that 4 of them had not been reviewed for two months. The Manager confirmed that key workers are responsible for arranging this, and that they would be reminded of the need to complete them on a monthly basis.

- 5.1.2 Medication competence tests are not carried out. The Area Manager confirmed that the Service had given guidance that the competencies were expected to be held annually as good practice, safeguarding the service, and supporting staff. However, the Medication Policy does not confirm that these are required. It was confirmed that a new Medication Code was in place, but firm guidance has not yet been received in order to confirm whether they would be required.
- 5.1.3 The home is not consistent in the manner of calculating the holiday entitlement of casual workers. Holidays are calculated by taking into account the number of hours the worker works in a 13 week period. It was sometimes seen that the holiday entitlement for some members of staff was rounded down to the nearest hour, with others rounded down to the nearest half or quarter hour. The Manager and Clerk confirmed that they had always rounded the holiday down, but that they would be consistent in their arrangements from now on, rounding the holiday entitlement of each casual member of staff down to the nearest half or quarter.
- 5.1.4 There is no separation of duties when raising orders and authorizing payments. The Manager and Clerk confirmed that they were unaware that this was necessary and that they would do so from now on. In addition, it was found that invoices are not date stamped, which makes it impossible to confirm the number of days taken for processing. The Clerk stated that he had already ordered a stamp, and that all invoices would be stamped with the receipt date from now on.
- 5.1.5 The Auditor was not asked to sign the visitor book on the day of the visit. It was found that the door of the home was held open with a stone on that morning, so access could be made immediately. The Manager confirmed that staff were aware of the procedure to ask every visitor to sign the book, and that would remind them immediately. The Manager added that one of the residents placed the stone to hold the door when going to the garden for a cigarette. Otherwise, the door is usually locked. The visitor book was checked during the visit and it was seen that it was signed daily by both visitors and staff.
- 5.1.6 It was found that not all fire tests are carried out on a timely basis. Following the visit, the Manager confirmed that she had appointed the Senior Care Officer as the member of staff responsible for carrying out the tests from now on.
- 5.1.7 Most of the home's staff had not completed the mandatory e-learning modules: Protecting Adults, The Protection and Safeguarding of Children, and Domestic Prevention and Abuse.

6. Actions

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

- **Ensure Care Plans are reviewed monthly.**
- **Ensure that fire tests are carried out on a timely basis.**
- **Remind staff that every Home visitor needs to sign the visitor book.**
- **Ensure that staff complete e-learning training modules in the near future.**
- **Ensure the separation of duties when raising orders and authorizing payments.**

**CEFN RODYN
ADULTS, HEALTH AND WELL-BEING**

1. Background

1.1 Cefn Rodyn Residential Home, Dolgellau offers permanent and short-term care for up to 21 residents.

2. Purpose and Scope of Audit

2.1 The purpose of the audit was to ensure that the management and maintenance arrangements of Cefn Rodyn residential home were appropriate and in accordance with relevant regulations and standards. In order to achieve this, the audit included verifying that the home's arrangements were sufficient in terms of administration and staffing, budgetary control, procurement of goods and receiving income, health and safety, and monitoring performance along with ensuring that service users and their property were protected.

3. Audit Level of Assurance

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

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

4. Current Risks

4.1 The audit has found that some risks require further attention:

<u>Risk Level</u>	<u>Number</u>
VERY HIGH	0
HIGH	0
MEDIUM	2
LOW	1

5. Main Findings

5.1 Strong internal controls were found to exist at Cefn Rodyn, but some aspects need to be tightened, the areas that need attention are detailed below:

5.1.1 Welsh and English copies of Cefn Rodyn's Statement of Purpose were received, but when checking the Welsh version there were some minor language errors. In addition, the statement did not include all the information that should be included in accordance with Schedule 1 - Regulation 4(1)(c) 'Information to be included in the Statement of Purpose' of The Care Homes (Wales) Regulations 2002 e.g. the arrangements made for service users to attend religious services of their choice etc. This was discussed with the Manager, referring to Schedule 1, the Manager stated that although it was not recorded in the Statement of Purpose, arrangements could be put in place should staffing levels allow.

- 5.1.2 First aid, fire, safeguarding and moving and handling training records were checked for a sample of 10 members of staff. Not all of them were up to date. However, the Manager has already arranged a training program for the whole year so that staff receive the most current training.
- 5.1.3 A sample of HS11 forms were received along with the emails that had been sent to the Health and Safety Service. A period of 10 days had passed before 2 of the forms were sent. The Manager explained that this was an error and that they are usually sent immediately.
- 5.1.4 The Home has the Council's Safeguarding Policy, but not the current version that was reviewed in September 2017. A current copy was sent to the Manager and staff were notified of it.
- 5.1.5 All staff need to complete the domestic abuse e-learning module in accordance with Section 15 of the Violence Against Women, Domestic Abuse and Sexual Violence (Wales) Act 2015, where Government Statutory Guidance (March 2016) makes it mandatory for all relevant authority staff (including county councils) to complete awareness raising training in this area. 4 members of staff had completed the module at the time of the audit.
- 5.1.6 Half of the staff have signed to confirm that they have read the Medication Policy in 2018, this includes 12 out of the 17 staff who administer medication.
- 5.1.7 The temperature records of the medication room and the medication fridge were checked for April 2018, and 11 records were seen where the temperature of the fridge was higher than 8 ° C, which is contrary to the medication storage instructions in the Policy, which states that the ideal temperature for the fridge is between 2 ° C and 8 ° C. The Manager has adjusted the temperature of the fridge and has made a note in the file asking staff to report any readings over 8°C.

6. Actions

The Manager has committed to implement the following steps to mitigate the risks highlighted:

- **Arrange that the officers administering medication read the policy and sign to confirm that.**
- **Arrange for staff to complete the 'Domestic Abuse' e-learning module.**
- **Update the Statement of Purpose to include the necessary information and to correct the errors.**