

COMMITTEE	AUDIT AND GOVERNANCE COMMITTEE
DATE	17 OCTOBER 2019
TITLE	OUTPUT OF THE INTERNAL AUDIT SECTION
PURPOSE OF REPORT	TO OUTLINE THE WORK OF INTERNAL AUDIT FOR THE PERIOD TO 4 OCTOBER 2019
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 Internal Audit for the period from 1 April 2019 to 4 October 2019.

2. WORK COMPLETED DURING THE PERIOD

2.1 The following work was completed in the period to 4 October 2019:

Description	Number
Reports on Audits from the Operational Plan 2018/19	2
Reports on Audits from the Operational Plan	10

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 4 October 2019, indicating the relevant assurance level and a reference to the relevant appendix.

TITLE	DEPARTMENT	SERVICE	ASSURANCE LEVEL	APPENDIX
Travelling Expenses – Self-service	Corporate	-	Satisfactory	Appendix 1
Use and Control of Social Media	Corporate	Communications	Satisfactory	Appendix 2
Pupil Development Grant	Education	Resources	Satisfactory	Appendix 3
Regional Consortia Schools Improvement Grant	Education	Resources	High	Appendix 4
Payments System – Change in Standing Data	Finance	Financial	Satisfactory	Appendix 5
Harbours Statement of Accounts 2018/19	Finance	Accountancy	High	Appendix 6
Joint Planning Policy Committee Statement of Accounts 2018/19	Finance	Accountancy	High	Appendix 7
North Wales Economic Ambition Board Statement of Accounts 2018/19	Finance	Accountancy	High	Appendix 8
Supporting People Grant	Adults, Health and Wellbeing	Supporting People	High	Appendix 9
Syrian Refugees Resettlement Plan	Adults, Health and Wellbeing	Homelessness and Supported Housing	Satisfactory	Appendix 10

TITLE	DEPARTMENT	SERVICE	ASSURANCE LEVEL	APPENDIX
Care and Support Plans (Children) under Part 4 Social Services and Wellbeing Act (Wales) 2014	Children and Supporting Families	Family Support	High	Appendix 11
Flood Management	YGC	-	High	Appendix 12

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

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

3. WORK IN PROGRESS

3.1 The following work was in progress as at 7 October 2019:

- Overtime (*Corporate*)
- The 5 Ways of Working (*Corporate*)
- Culture and Ethics (*Corporate*)
- Proactive Prevention of Fraud and Corruption and the National Fraud Initiative (*Corporate*)
- GwE – Value for Money (*Education*)
- Appointment and Cost of Supply Teachers – Secondary (*Education*)
- Ysgol Pendalar (*Education*)
- Ysgol Hafod Lon (*Education*)
- Section 106 Agreements (*Environment*)
- Road Safety Unit (*Environment*)
- AONB Grant (*Environment*)
- Arrangement for Returning Equipment (*Finance*)
- Universal Credit (*Finance*)
- Benefits – Review of Key Controls (*Finance*)

- Welsh Church Fund (*Economy and Community*)
- Harbours – Health and Safety (*Economy and Community*)
- Parc Padarn Safety Measures (*Economy and Community*)
- Bed and Breakfast Costs (*Adults, Health and Wellbeing*)
- Plas Pengwaith (*Adults, Health and Wellbeing*)
- Plas Gwilym (*Adults, Health and Wellbeing*)
- Bryn Blodau (*Adults, Health and Wellbeing*)
- Llys Cadfan (*Adults, Health and Wellbeing*)
- Youth Club Accounts (*Children and Supporting Families*)
- Payments to Foster Carers (*Children and Supporting Families*)
- Hafan y Sêr (*Children and Supporting Families*)
- Repair and Maintenance of Playing Areas (*Highways and Municipal*)

4. RECOMMENDATION

- 4.1 The Committee is requested to accept this report on the work of the Internal Audit Section in the period from 1 April 2019 to 4 October 2019, comment on the contents in accordance with members' wishes, and support the actions agreed with the relevant service managers.

**TRAVELING EXPENSES – SELF-SERVICE
CORPORATE**

1. Background

1.1 The Council has adopted a new procedure where employees with an IT account can claim travel and subsistence expenses through a self-service system. As part of this procedure, travel details are submitted online and does not require authorisation by a manager in order for the payment to be processed, but they do have the ability to refuse claims if they consider it inappropriate or incorrect. The purpose of the new procedure is to reduce the administrative burden related to the previous paper based procedure that required authorisation by the line manager, certification by the budget holder and then inputted by administrative officers into a system to produce the payment. An audit on the system was undertaken in November 2017, where a risk of inappropriate or incorrect claims were identified.

2. Purpose and Scope of Audit

2.1 The purpose of the audit was to ensure that an efficient and effective process is in place for claiming travel expenses through the self-service system, which reduces the administrative burden and maintains the risk of loss by mistake or fraud to appropriate levels. The audit encompassed the frequency of managers' reviews and verifying a sample of submitted travel claims.

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's risks are as follows:

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

5. Main Findings

- 5.1 The process of submitting applications through self-service significantly reduces administration workload. The responsibility for reviewing claims remains with the managers, so the risk of costly errors or fraud depends on how thoroughly managers review the claims. In this sense, the procedure has not changed in comparison with paper travel expenses claims, but the new procedure is dependent on management's commitment to login to the self-service system on a monthly basis to carry out the reviews.
- 5.2 The procedure assumes that managers review the applications and reject inappropriate ones. A report was produced showing which managers have, and have not reviewed claims over a recent 9 month period, and found that most claims are not reviewed, even though the system generates e-mails to managers who have not logged into the self-service system to review travel expenses, and notes the need to *'review your staff travel expenses in the self-service system before the release date'*, noting the relevant release date. In addition, a reminder appears in the Self Service system.
- 5.3 A report was received of all submitted travel expenses claims to date through the self-service system, in order to verify the effectiveness of the controls in place to prevent the processing of inappropriate claims. Theoretically, every journey should have a clear starting and end point, and the purpose of the journey should be documented. However, this was not clear in all cases, and therefore it was not possible to ensure that the mileage claimed was appropriate. Overall, the 'purpose and location of the journey' appears sufficient for a manager to be able to make a decision on whether or not to refuse the claim. This is because the manager would be aware of the officer's work and understand the circumstances of the journey. However, examples were seen of the descriptions of the journey including a purpose but no location, which does not help external officers who may want to use the system to identify driving patterns, or to verify their appropriateness.
- 5.4 After identifying a number of duplicate payments, a weakness in the system was discovered that processed a claim twice if an individual clicked the submit button more than once ('double click'). Line manager reviews are expected to identify these, but they appear to have been missed in these cases. This was brought to the attention of the IT Service, and the system was modified so that this could no longer happen.
- 5.5 Claims that appeared to be high or inappropriate were reviewed. The lack of detail on the claims means that consideration needs to be given to the possibility that there is sufficient reason to submit a higher than expected claim, such as to avoid traffic, or to share a lift with a colleague from another location.
- 5.6 It was therefore seen that there is a risk of improper travel claims being processed, but it is not significantly higher when compared to the paper travel claims procedure, as both procedures depend on the officer's honesty and the manager's willingness to review and challenge where appropriate.

6. Actions

The Corporate Support Department has committed to implement the following steps to mitigate the risks highlighted:

- **Provide the Heads of Department with a list every 3 months indicating which managers within their department have not reviewed travel costs at all in the previous period.**

USE AND MANAGEMENT OF SOCIAL MEDIA CORPORATE

1. Background

1.1 Social media has become an important way of communicating in society and changes the way people network. The development of social media offers new opportunities for sharing information, receiving and seeking responses and residents' opinions. The different types of social media such as Facebook, Twitter etc. offer a quick, inexpensive and effective method of doing so.

2. Purpose and Scope of Audit

2.1 The aim of the audit was to ensure that suitable arrangements were in place to manage and make effective use of the Authority's social media. In order to achieve this, the audit included reviewing the social media policy, checking the content on the authority's social websites, looking at any computer controls in place and ensuring that there was appropriate accountability and guidance within the communications team.

3. Audit Level of Assurance

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

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

4. Current Score Risk

4.1 The audit's risks are as follows:

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

5. Main Findings

5.1 Gwynedd Council's Social Media Policy was seen to be in place for any account created in the name of Gwynedd Council either corporately by the Communications Unit or by an individual Department or Service. The policy also refers to the accounts of Gwynedd Council which are in partnership with other bodies, officers who use social websites as part of their work and officers who make personal use of social media where they may have negative impact on the authority's reputation. It was observed that controls were in place if the Communications Unit found established accounts that had not received the policy, where they would ask the accounts' administrators to complete the form and appendices in the policy. If the accounts have a suitable objective/purpose then the account is kept.

- 5.2 Whereas the Communications Unit is responsible for approving and policing all applications received to establish a social account or accounts on behalf of a particular service or plan, in accordance with the policy, upon approval of an application, an administrator within the service concerned is responsible for placing content on the account, monitoring it regularly and responding to any queries received. Similarly, responsibility for placing content on the account, monitoring it regularly and responding to any queries received rests with the manager, Senior Manager or Head of the service concerned. It was observed that there is a lack of control in place to ensure that all service social accounts or plans are up to date, continue to promote the authority's services and are regularly maintained as no consistent checks are undertaken.
- 5.3 It was discovered that the Communications Team had a training presentation for social media and that it was being adapted for different services, as well as providing training for councillors. This training is not available to every member of staff to prevent accounts being set up when they are not really needed. The content of the training was checked and there was a lack of awareness/training on cyber risk to administrators that can lead to a risk of cyber- attacks and unsafe use of the authority's social media.
- 5.4 It was observed that good computer controls exists with respect to the corporate accounts administered directly by the Communications Unit as passwords are changed regularly and consistently, usually on a monthly basis. However, there are no such controls in place for the other accounts that are set up on behalf of a particular service or scheme as there are no suggestions within the policy that they should change passwords regularly and establish the requirement for strong passwords on the accounts. The risk of this lack of computerised controls could lead to unauthorised access and misuse of the authority's accounts.
- 5.5 The content was checked for a sample of 10 social media accounts (Facebook, Twitter and Instagram) in order to ensure that the content complies with what has been stated under the policy. It was observed that all accounts were required to have the authority's logo or sub-bands on their websites, the content published bilingually, that all responses were posted by the Council responding in the same language as the query and in a timely manner, and that there was no contact details or photographs of service users/staff without permission. The accounts were seen to be broadly in line with the policy, apart from some inconsistencies such as accounts not displaying the Gwynedd Council logo or sub-bands on their social websites. The Communications Manager stated that this clause of the policy needed to be reviewed by the Communications Team.

6. **Actions**

The Communications and Engagement unit has committed to implement the following steps to mitigate the risks highlighted:

- **Undertake regular checks to ensure that all social media accounts are up to date and continue to promote the Council's services.**
- **Add cyber risk safety information within the training/policy so that users are aware of the need to implement password controls and the risk of using personal devices.**

PUPIL DEVELOPMENT GRANT EDUCATION

1. Background

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

2. Scope and Purpose of Audit

- 2.1 The purpose of the audit was to confirm the accuracy of the Audit Certificate, which is the Authority's statement of expenditure for the 2018/19 grant, and confirmation that internal systems and controls are in place to ensure that the grant is 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 various elements of the grant, ensuring that they were reasonable and in line with the grant objectives. In addition, it was confirmed that the grant had been delegated directly to schools and that there were appropriate arrangements for monitoring the grant and claiming the funding from the Welsh Government.

3. Assurance Level of Audit

- 3.1 The controls for risk mitigation were checked. The auditor's assessment concluded that the audit assurance level 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's risks are as follows:

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

5. Main Findings

- 5.1 The administrative arrangements for the 2018/19 Pupil Development Grant were checked and found to be appropriate. Grant expenditure from the financial ledger was reconciled with that stated on the Audit Certificate.
- 5.2 A selected sample of expenditure was found to be in accordance with the requirements and generally followed the guidelines detailed by the Welsh Government. Further inquiries were made regarding two items of expenditure and sufficient explanation was received to justify both.
- 5.3 The Grant Invitation Letter dated April 2018 states: *It is a statutory requirement for all schools in Wales to have a school development plan in place. In order to reduce any bureaucratic burden on schools associated with the PDG, we recommend that consortia support schools to use their scheme as a vehicle to plan their use of the PDG where appropriate.* A sample of 9 School Development Plans were checked. Of those checked, 3 had not clearly stated the figure they expected to receive from the grant for the year and 3 had not clearly stated their plans to spend the money.
- 5.4 Three grant claims were required to be completed during the financial year. All 3 claims were checked and found to be correctly completed and signed by the appropriate officers. The first and third claims were signed before the relevant deadlines so it can be assumed that the bids were received by the Welsh Government correctly and promptly. The 2 officers did not sign the second claim until 11 and 12 days after the deadline. However, the money claimed was received.

6. Actions

The Senior Accountant and the Finance and Business Manager GwE have committed to implement the following steps to mitigate the risks highlighted:

- **Ensure that the School Development Plans include plans on how the PDG will be spent.**
- **Return grant claims promptly and in accordance with the deadline.**

REGIONAL CONSORTIA SCHOOL IMPROVEMENT GRANT 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 EIG has by now been incorporated into the new 'Regional Consortia School Improvement Grant' (RCSIG). The purpose of the grant is to improve educational outcomes for all learners and to reduce the impact of deprivation on learner outcomes.

1.3 The core principle of the grant is that the vast majority is used for front-line provision with the terms and conditions of the 2018-19 grant setting out the expectation that a minimum of 80% of the total EIG will be delegated directly to schools. Gwynedd Council is the lead Authority for RCSIG and GwE is responsible for ensuring that the schools meet the grant requirements and support the schools to that end.

2. Purpose and Scope of Audit

2.1 The purpose of the audit was to ensure that there are appropriate internal controls for the administration of the 2018-19 RCSIG, in order to mitigate risks in accordance with the terms and conditions of the grant as well as to confirm that the figures presented on Gwynedd Council's and GwE's expenditure statements are based on the grant and follow up the figures to the ledger to confirm their accuracy and appropriateness.

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. A sample of the figures were traced back to the Council's financial ledger and were found to be correct.

- 4.1.1 Good arrangements appear to be in place for the administration of the RCSIG. It was seen that the appropriate percentage of gross funding had been delegated directly to schools and that the appropriate percentage of grant funding had been reserved for administration purposes in accordance with the terms and conditions of the grant.
- 4.1.2 The expenditure audited was found to be reasonable for the grant objectives. However, in many cases it was seen that neither Gwynedd Council nor GwE were using orders properly:
- orders were not used in all cases,
 - the date of the order was after the invoice date which suggests that it was written following receipt of the goods / service
 - instances where the officer who had placed the order had also authorised the invoice for payment.
- 4.1.3 There have been several instances whereby Gwynedd Council and GwE invoices took over 30 days to pay.
- 4.1.4 It is expected that an analysis of the total grant allocation for schools will be included in school development plans. A sample of Gwynedd's secondary and primary school plans were examined and it was found that this was being implemented

PAYMENT SYSTEM – CHANGE IN STANDING DATA FINANCE

1. Background

1.1 In 2016/17, British businesses lost over £32m to mandate fraud (fraudulent claims to change bank details made by individuals claiming to represent an organization which receives regular payments). This figure has more than tripled to over £99m in 2018/19¹ according to RSM (a group of limited partnerships and accountancy consultancy firms). In the current climate, it is essential that the Council's arrangements for changing standing data within the system at the request of the business are robust and thorough.

2. Scope and Purpose of Audit

2.1 The purpose of the audit was to ensure that appropriate arrangements were in place to manage the Council's suppliers' data, thereby mitigating the risk of fraud. In order to achieve this, the audit encompassed checking the processes for entering and modifying suppliers' data on the Council's financial system, reviewing the arrangements for fraud training and awareness, including data protection controls.

3. Assurance Level of Audit

3.1 The controls for risk mitigation were examined. The auditor's assessment concluded that the audit assurance level 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's risks are as follows:

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

5. Main Findings

5.1 The Payments Service's arrangements for dealing with suppliers' fixed standing were audited and appropriate controls were in place to mitigate the risk of mandate fraud.

5.2 Copies of the forms completed by the Payments Service staff when a request to change a suppliers' bank details were checked. These include a record to confirm that a member of the Payments Service had checked the validity of the request to change a Suppliers' details.

¹ <https://economia.icaew.com/news/july-2019/mandate-fraud-losses-up-28pc> (Accessed on 01/08/2019)

The forms sent to suppliers to set up a new account were also checked. The forms in question were found to contain the relevant information for their purposes. Controls were in place to ensure that the accuracy and validity of changes to standing data were checked by 2 officers from the Payments Service as well as the Senior Payments Officer.

- 5.3 The Senior Payments Officer stated and evidenced that any fraudulent request was shared via email with all Payments Service staff as well as Internal Audit and the Assistant Head of Finance. Fraud cases are shared with other Councils' finance managers where they might be relevant to them (e.g. sharing information about a fraudulent claim purporting to be from a construction company that operates in more than one county).
- 5.4 The Payments Service receives a significant number of requests to set up or change supplier data in a year as well as their responsibilities to ensure that the Council's payments are properly administered. Because of this, many of the relevant applications and forms completed had not been filed. This was discussed with the Senior Payments Officer and he stated that a suitable computer system could save the Service time and facilitate a more robust filing system.
- 5.5 Training was checked for all Payments Service staff. Although there is awareness of mandate fraud within the Service, 3 staff were found not to have completed the Data Protection e-learning module (2018) and 3 had not completed any IT Security training. The Senior Payments Officer stated that the Service was short on time due to a lack of resources and it was difficult for staff to find time to complete training.

6. Actions

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

- **Share the requirements of the Payments Service with the IT Service to establish whether it is possible to develop a solution within iGwynedd that would assist in authorising and filing requests to change standing data.**
- **Ensure that the Payments Service staff complete IT security e-learning/training and relevant data protection training.**

HARBOURS STATEMENT OF ACCOUNTS FINANCE

1. Background

The Harbours Act 1964 requires that Gwynedd, as a harbour authority, prepares an annual statement of accounts relating to Pwllheli, Porthmadog, Abermaw and Aberdyfi harbour activities.

2. Purpose and Scope of Audit

2.1 The purpose of the audit was to confirm the accounts on the Harbours' annual statement for the 2018/19 financial year, as well as to confirm that appropriate internal controls were in place.

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 Assurance can be given that the Harbours' accounting statement for the 2018/19 financial year was appropriate. Based on the tests carried out, it was seen that there was an appropriate audit trail for the figures and that the internal controls could be relied upon to achieve their objectives. Appropriate accounts have been kept and bank reconciliations are made as part of Council wide bank reconciling.
- 4.2 Based on the tests carried out it was seen for a sample of payments selected, including petty cash payments, that they were supported with appropriate invoices or receipts, and that value added tax had been dealt with appropriately. There was also an appropriate trail for a sample of other payments made through internal transfers.
- 4.3 An unannounced visit was made to Porthmadog Harbour as part of the 2018/19 'Income Collection - Maritime and Country Parks' audit. Due to the increasing use of card payment machines, the amount of income received as cash has decreased and only card transactions were received in the harbour on the day of the visit. The banking arrangements were reviewed and found to be appropriate.
- 4.4 Staff costs are administered through Gwynedd Council's Payroll Unit where PAYE and National Insurance requirements have been applied appropriately.
- 4.5 The fixed asset figure on the accounting statements is supported by an asset register, which includes an addition of £20,000 during 2018/19. This capital expenditure is properly included as 'other total payments' expenditure on the statement.

**JOINT PLANNING POLICY COMMITTEE STATEMENT OF ACCOUNTS
(GWYNEDD AND ANGLESEY COUNCILS)**

1. Background

1.1 The Joint Policy Committee is a joint committee established in accordance with Section 101 of the Local Government Act 1972 by Gwynedd Council and the Isle of Anglesey County Council. Separate accounts are required for joint committees. As Gwynedd Council is the leading council in respect of the finance and accountancy service for the Joint Committee, it is Gwynedd Council's responsibility to complete the financial statements. The accounts are in the form of an annual return.

2. Purpose and Scope of Audit

2.1 The purpose of the audit was to ensure the accuracy of the accounts on the Committee's annual statement for the year 2018/19, as well as to confirm that appropriate internal controls were in place.

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 Assurance can be given of the accuracy of the accounting statements of the Joint Planning Policy Committee (Gwynedd and Anglesey Councils) for the 2018/19 financial year. Based on the tests carried out, it was seen that there was an appropriate audit trail for the figures and that internal controls could be relied upon to achieve objectives. Appropriate accounts have been kept and bank reconciliations are held as part of activities across the Council.

4.2 Based on the tests carried out it was seen that the sample of payments selected had been supported with invoices relevant to the period in question, and that value added tax had been dealt with appropriately. There was also an appropriate audit trail for a sample of other payments made through internal transfers.

4.3 Staff costs are administered through Gwynedd Council's Payroll Unit where PAYE and National Insurance requirements have been applied appropriately. These costs are recorded against 'staff costs' in the statement. It was ensured that a sample of these officers had appropriate employment contracts.

4.4 Other payments include transport, other service supplies, scheme development costs and central support costs.

4.5 The VAT element reimbursement for month 12, a total of £33.33, is reflected in the 'debtors and stock balances' column on the accounting statement 2018/19.

NORTH WALES ECONOMIC AMBITION BOARD STATEMENT OF ACCOUNTS FINANCE

1. Background

The North Wales Economic Ambition Board is a collaborative group of private and public organisations in North Wales committed to promoting economic growth in Anglesey, Conwy, Denbighshire, Flintshire, Gwynedd and Wrexham. The Ambition Board co-ordinates the "Growth Deal" bid for North Wales, which involves targeting significant resources and new powers for the region, specifically in order to strengthen the economy and create employment.

2. Purpose and Scope of Audit

- 2.1 The purpose of the audit was to confirm the accounts on the Board's annual statement for the 2018/19 financial year, as well as to confirm that appropriate internal controls were in place.

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 Assurance can be given that the North Wales Economic Ambition Board accounting statement for the 2018/19 financial year was appropriate. Based on the tests carried out, it was seen that there was an appropriate audit trail for the figures and that the internal controls could be relied upon to achieve their objectives.
- 4.2 The North Wales Economic Ambition Board has been operational since the 1st of February 2019. Appropriate accounts have been kept and encompass the period between the 1st of February to the 31st of March 2019. Bank reconciliations are made as part of Council wide bank reconciling.
- 4.3 Based on the tests carried out it was seen for a sample of payments selected that they were supported with invoices relevant to the period in question, and that value added tax had been dealt with appropriately. There was also an appropriate trail for a sample of other payments made through internal transfers.
- 4.4 A risk register was presented to the Board on the 12th April 2019 which focuses on programme risks arising from the initial work programme submitted to the Board on 1st February 2019. Risks are reported quarterly to the Board and on a monthly basis to the Executive Officers Group.
- 4.5 For the period in question, the Board did not employ employees directly, and therefore no costs were recorded against 'staff costs' in the statement. However, 'other payments' include 70% of the Council's Corporate Director's time and subsistence costs for the period 1st February to 31st March 2019. These costs are appropriately and correctly included under the 'other payments' heading because the officer is employed by Gwynedd Council and not the North Wales Economic Ambition Board.

SUPPORTING PEOPLE GRANT ADULTS, HEALTH AND WELLBEING

1. Background

A grant in excess of £5 million was allocated to Gwynedd Council by the Welsh Government during 2018-19 as part of the Supporting People scheme. The scheme commissions and funds a number of providers to offer support to vulnerable individuals to retain their tenancy and avoid homelessness, with the aim of enabling individuals to live independently through the provision of housing related support services. The service can be provided at the home of the individual or in a hostel, sheltered homes, or any supported housing. The scheme provides support to a wide range of people, such as older people, people with domestic violence problems, people at risk of homelessness, people with mental health problems, substance misuse as well as learning disabilities.

2. Purpose and Scope of Audit

- 2.1 The purpose of the audit was to ensure the accuracy of the Supporting People grant audit certificate for 2018-19, by reviewing the costs claimed and the number of reported cases, as well as ensuring that the Service had complied with the conditions of the grant offer letter, good practice and the Council's financial procedure regulations.

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 Assurance can be given that the Supporting People grant audit certificate for the 2018-19 financial year was correct. Based on the tests carried out, it was seen that there was an appropriate audit trail for the figures and that the internal controls could be relied upon to achieve their objectives.
- 4.2 The number of 'outcomes' reported to the Welsh Government for both periods within the year were reviewed. This is intended to gather information on the number and type of support given. The providers present this information for each individual (except the service users that only receive the Alarm Service) to Conwy County Borough Council as the lead body of the North Wales Supporting People region, which then sends a summary report of their database to Gwynedd Council for checking and submission to the Welsh Government. In addition, a spreadsheet containing all the details of each person receiving support is received. This information is used by the Service to select a sample of outcomes to verify when conducting periodic monitoring visits with the providers. It was seen that these reports were consistent with what was reported to the Welsh Government, and that the Service verifies them when conducting visits.

4.3 Condition 11 (a) (iii) of the grant offer letter states that all original documents associated with the funding needs to be retained until the Welsh Government informs the Council that they may dispose of them. Invoices are usually destroyed by the Council six years after the current year. For invoices that need to be retained for an extended period, due to the requirements of an audit trail in the terms of the grant, for example, then pink (as opposed to yellow) TR252 coding and authorisation slips are attached. It was seen that the use of pink slips, as agreed during the 'Supporting People Grant' internal audit, dated October 2018, was now in place, but a number of payments made before October had used yellow slips, which pose a risk of the invoices being destroyed before the Council receives instruction from the Welsh Government to do so. However, at present, all the Council's invoices are kept for the extended periods, so this risk is low.

**SYRIAN REFUGEE RESETTLEMENT PROGRAMME
ADULTS, HEALTH AND WELLBEING**

1. Background

Gwynedd Council volunteered to take part in the Syrian Refugee Resettlement Programme managed by the Home Office. In 2016, Gwynedd Council welcomed the first refugees from Syria, where 12 refugees were housed in the north of the county and the housing department worked with private landlords in order to arrange suitable accommodation for them. There are now 7 families already established in Gwynedd, with 40 refugees expected to be accepted by the Authority by September 2019. The programme supports the refugees for five years, where the authority is responsible for managing the family requirements for education, health, employment and integration into society.

2. Purpose and Scope of Audit

2.1 The aim of the audit was to ensure that suitable arrangements were in place for issuing funds for the Syrian Refugee Resettlement Programme. In order to achieve this, the audit covered the verification of the financial arrangements in place including checking that the service was following financial procedures in accordance with the requirements, that accountable officers had been established, that grant applications and reconciliations have been made in a timely and complete manner, expenditure against the plan is appropriate and there is evidence to support it.

3. Audit Level of Assurance

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

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

4. Current Score Risk

4.1 The audit's risks are as follows:

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

5. Main Findings

5.1 The service follows the *'Funding Instructions for Local Authorities in the support of the United Kingdom's Resettlement Schemes'* guidance from the Home Office for the funding of the scheme.

The guidance enables the recipient to support refugees in the first 12 months after their arrival in the UK and during the following 48 months. On the day of the refugee's arrival in the UK, the recipient will be eligible to claim 40% of the total qualified amount. The remainder will then be payable in two equal instalments at the end of the fourth and eighth months following the refugee's arrival in the UK. After the first year, the Authority will approve only one entitlement for each refugee by year.

- 5.2 A sample of 20 expenditure were checked from the ledger under the codes VB70 4009/1201, and it was observed that there was an invoice or receipt for each of the sample and that amounts are accurately recorded for each one. All invoices were seen to have been approved by a different officer to the person who created the order. In addition, it was checked if the payments had been distributed according to the requirements. The correct amounts were seen to have been given to the families in accordance with the age of the children, supply costs and schedule, and that the payments have been distributed in accordance with the requirements.
- 5.3 A sample of 20 claims made to the Home Office were checked to ensure that the amount claimed was accurate and complete for the families re-located in Gwynedd. The amount claimed was found to be accurate, complete and in accordance with the requirements of the Funding Instruction. Dates on the claims which were submitted to the Home Office were compared with the dates on the Ledger, and it appears that none of the payments were received later than 3 months from the date the money was claimed.
- 5.4 As part of the programme, each refugee receives an allowance of £200 on arrival for food and toiletries only. Other purchases such as bus passes are made by debit card. It appears that appropriate arrangements have been made in approving payments. The Gwynedd Syrian Refugee Resettlement Programme Co-ordinator was reported as the only one making use of the debit card and allocating monies, with another team member/Project manager using the Barclaycard Spend Management system for approving the payments. The Co-ordinator will add receipts to the system to support the expenditure for approval by the Project Manager. It was confirmed by checking a list of payments from the ledger that the Co-ordinator is the only officer who has made use of the card.
- 5.5 It was discovered that a financial monitoring report is created by the Finance Department on a monthly basis that list all revenue budgets, and is sent to the attention of the Project Manager for review. Also, it is seen that any contribution made by the Home Office is included in the financial monitoring report. The service asks the Finance Department to prepare a cashflow for the Home Office grant/contribution on a casual basis for that purpose. However, no confirmation had been received from the service or the Finance Department that reconciliations of the amount received following the claims made to the Home Office were being held.

6. **Actions**

The service has committed to implement the following steps to mitigate the risks highlighted.

- **The service to discuss with the Finance Department an arrangement for identifying and notifying when the financial transactions reach the account, as well as maintaining reconciliations of monies received regularly to ensure that the claims made to the Home Office have been received complete, timely and accurate.**
- **The Project Manager to consider getting access to the ledger system in order to be able to identify the money claimed.**

**CARE AND SUPPORT PLANS (CHILDREN) UNDER PART 4 SOCIAL SERVICES ACT 2014
CHILDREN AND SUPPORTING FAMILIES**

1. Background

1.1 The Social Services and Well-Being Act (Wales) 2014 came into force in April 2016. The purpose of this Act was to completely transform the way social Services are provided in Wales in order to meet the individual's needs and to make the services sustainable for the future. The Act gives service users a stronger voice and control over the support they need to remove barriers to their well-being. It concentrates on earlier interventions to prevent needs from becoming serious.

2. Purpose and Scope of Audit

2.1 The purpose of the audit was to ensure that the service's arrangements are appropriate in order to ensure that Gwynedd's children and young adults' care and support needs are met in line with Part 4 of the Social Services and Well-Being Act (Wales) 2014. In order to achieve this, the audit encompassed reviewing a sample of files in order to ensure that they comply with the Care and Support (Eligibility) (Wales) Regulations 2015 and with the Care and Support (Care Planning) (Wales) Regulations 2015.

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 Care and Support Plan is drawn for an individual whom has eligible needs. An assessment (Part 3 – SSWA – Assessing the needs of individuals) is done in order to assess if the individual has eligible needs or not. If the needs identified meets the eligibility success criteria then they are eligible to receive the Care and Support Plan (Part 4 – SSWA – Meeting Needs).

4.2 Dedicated teams within the Children and Supporting Families Department conduct the assessments and then produce Care and Support Plans. A sample of staff were selected from these teams in order to confirm that they have the appropriate qualifications. It was seen that every Social Worker was appropriately qualified and had registered with Social Care Wales. Members from the Team Around the Family, that deal with preventative cases, are not qualified as social workers but it is good practice that they complete specific training modules. The team's qualifications were reviewed and it appeared that some had completed these modules.

4.3 Training was provided to the workers by an external officer. Again it is good practice for every member of staff to attend these courses. Courses are held on the basic principles of the Act, an introduction to the documents, in addition there are specific courses for the assessment of children and children receiving accommodated care (looked after children) etc.

The staff development module was reviewed in order to discover if the sample of staff selected had attended these courses; in particular the basic principles of the Act and the introduction to the documents. It was seen that not all had received training, but it was noted that these workers would have a chance to attend the training once another course was arranged.

- 4.4 It was confirmed that every member of staff in the sample had a current DBS disclosure.
- 4.5 The Care and Support Plan for the sample was reviewed, and it was seen that the North Wales regional template was used. Attention was given to the eligible needs/the individual's personal outcomes and the steps to be taken to help the individual achieve their personal outcome and/or meet their eligible needs. In addition, details of how they would monitor the extent to which the personal outcomes have been achieved where relevant, and a record of the roles and responsibilities of the relevant people were noted.
- 4.6 The revision date for the Plan is recorded, of which shouldn't be greater than 6 months after completing the Plan. The revision dates in the sample were compared against the date the review was completed. From the 6 cases in the sample, a review was completed for every one of them. These reviews weren't held on the day recorded in the Care and Support Plan in every case, due to a range of reasons i.e. the availability of officers or the service user in question.
- 4.7 In line with Part 10 of the SSWA, 'Complaints, Representations and Advocacy Services', it is required for a local authority to arrange an advocacy service to be made available to people with needs for care and support. *"Advocacy services' are services which provide assistance (by way of representation or otherwise) to persons for purposes relating to their care and support."* There is a dedicated part in the North Wales regional Care and Support Plan template in order to record if an advocacy service was offered or not, the sample was reviewed and it was seen that it had been appropriately offered i.e. 3 individuals received the offer, 3 others had not because they were under 5 years old.

FLOOD MANAGEMENT YGC

1. Background

1.1 Fairbourne is a village to the south of the Mawddach estuary. It is built on low lying land on the coast and although adequate protective controls against flooding are present, climate change means the village will be at increased risk of flooding, as stated in the 'West of Wales Shoreline Management Plan 2 (SMP2)' 2013. Following this, a project board was established by Gwynedd Council to investigate further the impact of climate change on the village and the technical, legal and social implications.

2. Purpose and Scope of Audit

2.1 The purpose of the audit was to ensure that relevant grants to investigate and protect from floods in Fairbourne had been utilised and administered appropriately. In order to achieve this, the audit encompassed reviewing a sample of payments and working papers relating to the grants, ensuring that the grant requirements had been met.

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 6 grants relating to Fairbourne flood risks were reviewed: Fairbourne Masterplan, Fairbourne Engagement & Inclusion (Moving Forward), Shoreline Management Plan Effects Research Project, Feasibility Study for Buy to Let Scheme, Building Community Resilience and Self-Sufficiency, and Fairbourne Monitoring Regime. The amounts claimed and received for each grant were found to be within the allocation detailed in the relevant grant offer letters.

4.2 A sample of 4 individual claims were reviewed for 4 of the 6 different grants. 85% of the relevant expenditure was reimbursed by the grant up to the allocated maximum. It was seen that 3 of the 4 grant claims had spent within or up to the maximum. There was greater expenditure than the grant allocated for the 31/03/2017 claim as part of the Shoreline Management Plan Effects Research Project grant, therefore the maximum grant was received and the remainder funded by YGC.

4.3 For the sample of 4 claims, evidence of the appropriateness of the expenditure was reviewed. It was seen that the expenditure was appropriate in each case as it was in keeping with the purpose detailed in the grant offer letter. An invoice and / or receipt was seen for each transaction included in the selected sample. Much of the work was done internally within the YGC Department. It was seen that details of the hours spent on the various projects were attached to YGC invoices. The relevant documents are kept in a dedicated folder by the Senior Support Services Officer.

4.4 For the sample of 4 grant claims, it was seen that claim forms had been completed correctly and appropriately and that the documentation requested in the grant offer letter had been prepared.