COMMITTEE	**AUDIT AND GOVERNANCE COMMITTEE**
DATE	**30 JULY 2020**
TITLE	**OUTPUT OF THE INTERNAL AUDIT SECTION**
PURPOSE OF REPORT	**TO OUTLINE THE WORK OF INTERNAL AUDIT FOR THE PERIOD TO 31 MARCH 2020**
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**

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1. INTRODUCTION

1.1 The following report summarises the work of Internal Audit for the period from 3 February 2020 to 31 March 2020.

2. WORK COMPLETED DURING THE PERIOD

2.1 The following work was completed in the period to 31 March 2020:

Description	Number
Reports on Audits from the Operational Plan	10
Other Reports from the Operational Plan (memorandum)	1

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

2.2   Audit Reports

2.2.1   The following table shows the audits completed in the period to 31 January 2020, indicating the relevant assurance level and a reference to the relevant appendix.

TITLE	DEPARTMENT	SERVICE	ASSURANCE LEVEL	APPENDIX
Women in Leadership	Corporate	-	High	Appendix 1
Safeguarding Arrangements - Establishments	Corporate	-	Satisfactory	Appendix 2
Information Management - Establishments	Corporate	-	Satisfactory	Appendix 3
GwE – Travelling Expenses	Education	GwE	Limited	Appendix 4
Road Safety Unit	Environment	Transportation and Street Care	Satisfactory	Appendix 5
Bank Reconciliation	Finance	Accountancy	Satisfactory	Appendix 6
Benefits – Review of Key Controls	Finance	Revenue	High	Appendix 7
Use of P6 Forms	Adults, Health and Wellbeing / Children and Family Support	Across the Department	High	Appendix 8
Overtime	Highways and Municipal	Across the Department	Limited	Appendix 9
Bridges – Work Programme	Highways and Municipal	Highways Works	Limited	Appendix 10

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.

2.2.3   In addition to the above, a memorandum rather than a full report was published on "Culture and Ethics", and no category for assurance level was given. As part of the work carried out, a bespoke questionnaire was created by the Internal Audit service. A meeting was held with the Head of Corporate Support, the Learning and Organisational Development Manager, and the Senior Organisational Development Officer in order to consult on suitable methods to receive feedback on the council's culture and to increase the range of staff who would complete the questionnaire.

3.   FOLLOW-UP WORK

3.1   New arrangements have been established for follow-up audits. In 2018/19, a total of 88 actions were agreed to be undertaken before 31 March 2020. Following a request made to the Units/Services for information and evidence on progress against agreed actions, as at 31 March 2020, there was acceptable implementation on **100%** of the agreed actions to mitigate high/very high risks, i.e. 11 out of 11, and **72.73%** of the agreed actions to mitigate medium risks, i.e. 56 out of 77.

3.2   Overall, there was acceptable implementation on **76.13%** of the agreed actions, i.e. 67 out of 88 agreed action. Progress had been made in respect of **12.5%** of the agreed actions, i.e. 11 agreed actions, but no response was received in respect of **11.36%,** i.e. 10 agreed actions. The following details the audits where no response was received:
- Information Management – Establishments (1 action)
- Cybersecurity (1 action)
- IT Disaster Recovery Arrangements (4 actions)
- Purchasing Equipment through the School (2 actions)
- Children – Out of County Placements (2 actions)

4.   WORK IN PROGRESS

4.1   The following work was in progress as at 31 January 2020:

- The 5 Ways of Working *(Corporate)*
- ARFOR *(Economy and Community)*
- Plas Gwilym *(Adults, Health and Wellbeing))*
- Municipal Vehicles *(Highways and Municipal)*

5.   RECOMMENDATION

5.1   The Committee is requested to accept this report on the work of the Internal Audit Section in the period from 3 February 2020 to 31 March 2020, comment on the contents in accordance with members' wishes, and support the actions agreed with the relevant service managers.

WOMEN IN LEADERSHIP
CORPORATE

1. Background

1.1 A survey was undertaken in 2017 where it was identified that over 70% of the Council's workforce was female but just over 30% of senior posts were held by women. Of all the Council's leadership posts (i.e. leader / senior managers directly responsible to a Head of Department or above) 75% are held by men and only 25% by women, and as a result women are under-represented within the Council. The research also shows that women often do not see themselves as leaders, and are less willing to apply/take on leadership roles. In addition, the research shows that unconscious bias still exists among those men who would be responsible for appointments to those senior posts.

1.2 One of the main priorities of the Council Plan 2018-2023 is 'Women in Leadership'. It is intended to review the working conditions and environment to ensure that Gwynedd Council is progressive, encourages 'women in leadership' and identifies and seeks to remove any barriers that may prevent women from reaching leadership and management positions within the Council. A Cabinet report dated 28 January 2020 states that "The aim of this project is to boost the number of women who apply for and attain higher positions within the Council."

2. Purpose and Scope of Audit

2.1 The purpose of the audit was to ensure that suitable arrangements were in place to implement and achieve improvement priority 3 in Gwynedd Council's Plan, Women in Leadership. To achieve this, the audit reviewed the actions taken by the Council to promote the number of women applying for senior positions within the Council.

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 'Women in Leadership' Project Group has been established and at present the composition of the group consists of a cross section of men and women in managerial positions together with two Cabinet Members. The group will strive to improve their understanding of the common barriers that influence women's career decisions and and respond to them. They will do this by:

a) identify barriers and agree actions to change culture and encourage and inspire women to consider a leadership and management role; and

b) raise awareness of unconscious bias among men and introduce arrangements that encourage equal opportunities.

4.2 A workshop was held in October 2019, for women already in management or team leadership roles to gather further feedback on what was gathered during the 2017 survey. Guest speakers were invited and an activity was held to hear opinions, good practice and receive suggestions from the attendees. Many comments were made, points such as, balance, flexibility, fear of failure etc. were highlighted. In addition, suggestions were received such as, mentoring, encouraging individuals to take the next steps in their career, making use of role models etc. It was noted that the feedback received following the workshop was very positive, it should be noted that not all individuals who attended the workshop believed that being a woman had a negative impact on their career development.

4.3 A workshop for men working in managerial or leadership roles was held in December 2019, in an effort to spread awareness and to receive feedback. Guest speakers were invited and the same activity took place, the need to review the job descriptions of managers so that they do not have masculine tendencies, the need to support women and men who want to take advantage of specific policies (childcare, maternity, paternity) etc. were identified.

4.4 Steps have already been taken to receive further feedback. A request has been made by email to the Council's managers asking them to hold discussions at their team meetings about what barriers women face in the context of applying and being appointed as managers or to senior roles within the Council. In addition, a survey in the form of a questionnaire for all Council women is planned for March 2020 to identify the barriers and to hear about their aspirations.

4.5 All the information gathered to date has been used to form the action plan and the revised version will be approved by the project Group at their next meeting on 3 March 2020. Work is in the early stages of responding to what has been highlighted so far. There will be ongoing research work in this area, with members of the group attending conferences, researching good practice and having opportunities to attend relevant courses. In the long term it is hoped that the project will change culture within the Council and that women feel able to apply for leadership/management positions.

SAFEGUARDING ARRANGEMENTS - ESTABLISHMENTS
CORPORATE

1. **Background**

1.1 One of Gwynedd Council's main priorities is to ensure that robust arrangements and procedures are in place to ensure that residents are protected from abuse, neglect, radicalisation, slavery, domestic violence and exploitation. Every member of staff is responsible to report on concerns or suspicion that individuals are being abused.

1.2 A number of posters together with pamphlets and contact cards have been produced to raise staff awareness of issues and safeguarding arrangements. In addition, e-learning modules are available to employees who have access to a computer and self-service for fieldworkers.

2. **Purpose and Scope of Audit**

2.1 The purpose of the audit was to ensure that organisations outside the Council's main offices were aware of their responsibility to direct concerns about safeguarding children and adults appropriately.

2.2. The audit covered discussions with Managers and observed that a safeguarding poster was displayed in establishments outside the main offices. This included Gwynedd Council's residential homes and harbours, Internal Audit visited as part of the 2019-20 Internal Audit Plan.

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:

Risk Level	Number
VERY HIGH	0
HIGH	0
MEDIUM	1
LOW	0

5. **Main Findings**

5.1 There was a general awareness of safeguarding issues, but there was room for further improvement in raising awareness. As part of the 2019/20 audit plan, a sample of the council's residential homes and harbours was examined. Amongst the audit programme, safeguarding arrangements such as safeguarding policies, training and disclosures from the Disclosure and Barring Service (DBS) were examined in the homes. Below is a summary of the findings.

5.2 All the homes in the sample followed the Council's corporate policy, which had already been reviewed in September 2017. One home was also seen to use the North Wales protection of vulnerable adults policy and guidance.

5.3 It was seen that a safeguarding poster was displayed in two out of the three residential homes visited. In the case where a poster was not displayed in one of the homes, the manager was seen to have safeguarding contact cards and explained that she gives one to each new member of staff.

5.4 It was seen that the staff of the homes receive a different range of safeguarding vulnerable adults training such as Wales basic training on safeguarding awareness, POVA awareness (protection of vulnerable adults) and safeguarding training as part of their induction. Employees should receive safeguarding training through a classroom every three years. Not all staff in the sample had received training in safeguarding vulnerable adults and cases were found where they needed to be renewed. The training of various staff dated back more than the three year period, with some dating back to 2014. In these cases, home managers were aware of the situation and it was seen that names had been put forward to attend the course up to 2020.

5.5 E-learning training records were checked including modules such as 'domestic abuse', 'adult protection' and 'child protection and safeguarding'. A sample of 35 staff were selected between the three homes and it was seen that 20 out of 35 staff members had completed the 'domestic abuse' module between the three homes. The residential home managers were aware of the need to complete these modules, but one of them noted the difficulties they've had with the Wi-Fi in the home. It it not necessary for staff to complete the safeguarding modules as they are already receiving face-to-face training, but in terms of the 'domestic abuse' modules it is necessary for each council staff member to complete the module.

5.6 A safeguarding poster was displayed at each of the harbours visited. E-learning training records were checked including modules such as 'protection and safeguarding children', 'adult protection' and 'domestic abuse', and it was seen that the three harbourmasters and the Hafan manager had completed the 'protection and safeguarding children' training in 2016. None of the four were seen to have completed 'Adult protection' or 'domestic abuse' e-learning training.

5.7 It was observed that a safeguarding children and vulnerable adults questionnaire is now available on the Council's intranet for any staff member who is a computer user. The questionnaire has been produced to provide an overview of the Council's staff awareness of the area, and the results of the questionnaire will assist the safeguarding executive in helping staff to know what to do should they encounter a situation of danger or harm to a child or adult.

6. **Actions**
   The Safeguarding Executive Panel has committed to implementing the following steps to mitigate the risks highlighted.
   - **Continue to raise council employees' awareness of corporate safeguarding arrangements and the need to complete training.**

INFORMATION MANAGEMENT
CORPORATE

1. Background

1.1 The Council makes considerable use of personal information in all its areas of work. As part of its employment with Gwynedd Council, all staff are expected to be familiar with their Data Protection responsibilities and deal with personal information in a manner that complies with the Data Protection Act and General Data Protection Regulation (GDPR).

1.2 The GDPR came into force in May 2018, as well as the Data Protection Act 2018 (which replaced the Data Protection Act 1998). This means that organisations will have to comply with the GDPR along with the new Data Protection Act.

1.3 The changes mean that there is a need to explain much more clearly to the public and staff how their personal information if being used. Individuals have many more rights and will require definitive proof of consent to use information. It is necessary to report nationally if information goes missing or to the wrong place and it will be necessary to know what personal information you have, where it is stored and how long it will be kept.

2. Purpose and Scope of Audit

2.1 The aim of the audit was to ensure that information held by the Council was kept securely and in compliance with the principles of the GDPR and the new Act. The audit covered the observation of information security arrangements when visiting Council establishments that are outside the main buildings. This included residential homes and harbours visited by internal audit as part of the annual internal audit plan 2019-20.

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:

Risk Level	Number
VERY HIGH	0
HIGH	0
MEDIUM	1
LOW	0

5.   Main Findings

5.1 Awareness of information management issues and data protection principles was generally seen, but there was room for further improvement in raising awareness. Below is a summary of the findings from the organisations visited during 2019-20.

5.2 Residential Homes

5.2.1   Only one out of the three residential homes interviewed was aware of the information management team. However, all three homes were seen to have a good understanding of the information security rules. All three homes were seen to be keeping to the clear desk policy, aware of the information retention periods and making use of shredders and red sacks.

5.2.2   All three homes had arrangements for checking who is on the other end of the phone, a private area for handling any confidential matters and do not share any confidential information over the phone. Residential Homes' staff were seen to complete confidentiality forms which are part of the application pack, and therefore aware of the need not to discuss issues outside of work.

5.3 Harbours

5.3.1   Two out of four harbour officers were unaware of the Information Management team and the support they offer.

5.3.2   All four harbours had a private area to discuss any confidential matters and officers were well aware of the need to check who is on the other end of the telephone. Harbour officers made use of shredders, and were aware of the retention periods for the information in their care.

5.3.3   CCTV had been installed in the three of the four harbours visited and it was found that signs to inform the public of their use had been placed up on the buildings. The CCTV system did not work in one of the three harbours during the visit. Designated officers manage the CCTV systems, but should the Police have an inquiry, only the Harbourmasters would deal with them. In these cases, a data protection form must be completed.

6.   Actions

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

- **Continue to raise awareness amongst Council employees of information management arrangements including the General Data Protection Regulation.**

TRAVELLING COSTS
GwE

1. Background

1.1 Gwynedd Council, GwE's host Authority, 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

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
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's risks are as follows:

Risk Level	Number
VERY HIGH	0
HIGH	1
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 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 in recent months, and found that most claims from GwE staff 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 It was discovered that errors can be processed (e.g. a claim for 800 miles was made for a 80 mile journey) and this was brought to GwE's attention for correction. It therefore shows that obvious errors can fall through the net if managers do not carry out reviews.

5.4 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.

5.5 On the 13 March 2018, Gwynedd Council's Cabinet amended the rules for claiming travel expenses. With effect from 1 July 2018, officers (GwE included) can only claim reimbursement for the miles travelled that exceed the number of miles the officers would normally travel between their home and usual place of work. According to the Travelling And Subsistence Policy; "*If the business journey starts and finishes at the employee's home, then staff should subtract from the claim the total number of miles that are travelled to and from the normal place of work*." The purpose of the change in Policy is to save money, but it was found that GwE's expenditure on expenditure code 2GWR 2710 (general car allowances, less train costs) had increased between 2017/18 and 2018/19. GwE's outturn accounts show a reduction in travel costs that's funded from the core budget, i.e. the core work of improving schools on behalf of the 6 local authorities, from £123,391 in 2017/18 to £122,416 in 2018/19. According to GwE, there has been an increase in the service's travel costs for the wider works, i.e. because of Welsh Government grant requirements specifically during this significant period of education reform in Wales.

5.6 Following discussions between GwE and the Corporate Support Department, it was agreed that GwE was to review their staffs' official work location, with effect from 1 July 2018. A number of staff had wished to change their official work location to the nearest offices to their homes. The fact that this may have happened in response to the change in Policy and the effect this has on officers' travel costs cannot be ruled out, rather than for practical reasons for GwE. This is based on the fact that officers' travel claims suggest that there has been no change to their day to day working arrangements, but the changes have obviously impacted on officers' travel costs by reducing the element they have to subtract from their claims, as well as enabling officers to claim for travel beyond their new, official location.

5.7 The nature of GwE's work means that there is a very large element of travel involved, including regular visits to different schools, or to the various offices across the North. Officers are now entitled to claim travel expenses for any journey that exceeds the distance between their home and official place of work, which means officers can now claim travel expenses to go to their usual or 'normal' place of work, which is not necessarily their official work location. As GwE has access to a number of offices, it is possible for staff to work in the offices nearer to their homes from time to time through

'hot desking'. Such an arrangement benefits GwE and its officers, but does not require changing their official work location to achieve this.

5.8 Among the discussions to change official work locations, it was discovered that GwE had tried to move some staff to 'virtual' locations, as they did not have offices in the locations staff wanted to move to. Nearby hot desking facilities were eventually used as an official place of work as a physical location is required for the system. Again this has the effect of enabling the officer to claim travel expenses (and time, if relevant to the terms of the job) for any journey that exceeds the distance from home to this official place of work.

5.9 Whilst reviewing officers' travel claims, it appears that those who have changed their official work location have benefited financially, whether by claiming for the journeys they make to their usual place of work, or by reducing the loss associated with the distance from home to their official work location - or a combination of both.

5.10 GwE's Value for Money Policy states that "*VFM is a term used to assess whether, or not, an organisation has obtained the maximum benefit from the services it both acquires and provides, within the resources available to it. Achieving VFM is also often described in terms of the 'three Es' - economy, efficiency and effectiveness:*
(i) economy - minimising the cost of resources for an activity ('doing things at a low price');
(ii) efficiency - performing tasks with reasonable effort ('doing things the right way'); and
(iii) effectiveness - the extent to which objectives are met ('doing the right things').
...Value for Money must be a routine part of the decision-making process at all levels of staff throughout GwE. This is particularly important in planning or reviewing activities with significant financial implications... The Business Quality Board will need to be satisfied that VFM issues are being adequately addressed and that all major areas of expenditure, including staff costs, are being properly scrutinised." Due to the financial implications of moving employees' official work location, it is reasonable that a business case is in place to justify the changes and highlight the benefits to GwE of the proposed arrangements. A report to the GwE joint committee was drawn up on the 22 May 2019 with the purpose of presenting and approving staff work locations. However, the report does not mention the fact that work locations have changed, or the financial implications. Following advice from the Monitoring Officer, the report was not presented to the Joint Committee as the change of individual working conditions is an issue for management, also the fact that the changes have already been implemented since 1 July 2018.

5.11 GwE's Value for Money Policy states that "*although internal audit has a primary responsibility for assessing the internal control system, the internal auditors are frequently well placed to assess and comment on VFM in the areas reviewed*". To this end, Internal Audit cannot provide assurance that value for money has been taken into account when changing work locations.

6. Actions
GwE has committed to implementing the following steps to mitigate the risks highlighted.
- **Remind managers to review travel expenses claims.**

ROAD SAFETY UNIT
ENVIRONMENT

1. **Background**

1.1 Road Safety is a unit within the Environment department. The Unit's Facebook page states: 'Gwynedd Council's Road Safety Unit offers training of all kinds to all ages across Gwynedd. The Unit's ambition is to reduce the number of people killed or seriously injured on Gwynedd's roads. '

2. **Purpose and Scope of Audit**

2.1 The purpose of the audit was to ensure that suitable arrangements were in place and to ensure that the services of the Road Safety Unit were properly carried out. In order to achieve this, the audit encompassed reviewing the arrangements to promote the unit's services, receiving and acting on service requests and inquiries, dealing with road safety complaints and reviewing the service's performance monitoring / presentation of local statistics.

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:

Risk Level	Number
VERY HIGH	0
HIGH	0
MEDIUM	2
LOW	0

5. **Main Findings**

5.1 A sample of payments made by the Unit to driving instructors and other relevant companies were checked. The verified payments were processed appropriately and in a timely manner.

5.2 Statistics on school visits were received from the Unit. The statistics showed that 44 of the 44 schools checked had received a visit within the 19/20 educational year. The Road Safety Unit reports on their performance every 3 months. Performance measurement and reporting were found to be adequate.

5.3 Gwynedd Council's Road Safety Unit has its own Facebook page (https://www.facebook.com/pg/Gwynedd-Genedd-Genedd-Road-Safety-345094455627034/posts/).

The Gwynedd Road Safety Unit's Facebook page is updated frequently. The Facebook page contained information about the various functions of the Unit. Another website was a top result when 'Gwynedd Road Safety' was entered into a search engine such as Google (http://www.dffgwyneddmon.net/index.php?cID=373). Discussions took place with Unit staff and it was explained to the Auditor that the website was no longer updated. As a result, there was a lot of out of date information on the website. Under the 'news' section of the site, the latest piece of news was found to be dated 20/12/2018. Workshops that visitors to the website can 'book on' are listed with dates from 2014. The website should not be available to the public unless updated.

5.4 Appendix B of the Council's Social Media policy states: 'Anyone considering a campaign using social media should contact the Communications Unit for guidance in the first instance.' A list was received from the Communications of social media pages approved by the Communications Unit. The Road Safety Unit's Facebook page was listed here and it was seen that the relevant application had been completed appropriately.

5.5 School Crossing Officers are part of the Council's Road Safety Unit. The DBS status of a sample of Crossers was checked. It was found that 10 out of 10 of the sample held a valid DBS certificate and awarded within the last 3 years. One person's DBS certificate expired March 2020 and it was seen that initial steps had been taken to obtain a new DBS certificate. They receive in-house training within the Unit. No record of this is kept which increases the risk of Crossers working without receiving the latest training.

6. **Actions**
   The Road Safety Officer, Young Road User Coordinator and the Technical and Support Assistant are committed to implementing the following steps to mitigate the risks highlighted.
   - **Prevent the old Gwynedd Road Safety website from being visible to the public with the help of the IT department.**
   - **Maintain an ongoing record of crossing officer training.**

BANK RECONCILIATION
FINANCE

1. **Background**

1.1 Bank reconciliation is the process of matching the balances in the Council's financial systems with the corresponding information on bank statements. The aim of this process is to find and identify the differences between the two. A bank reconciliation should be completed regularly for all bank accounts, to ensure that the Council's financial records are accurate.

2. **Purpose and Scope of Audit**

2.1 The purpose of the audit was to ensure that bank reconciliations were completed in an appropriate and effective manner. The audit reviewed the procedures in place as well as the supporting documentation and records of a sample of recently completed bank reconciliations.

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:

Risk Level	Number
VERY HIGH	0
HIGH	0
MEDIUM	2
LOW	0

5. **Main Findings**

5.1 The Finance Department has adopted a procedure for preparing bank reconciliations, with different officers responsible for different accounts. This arrangement of undertaking the different reconciliations; daily, monthly and quarterly, have been in place for some time and are done by experienced officers. However, when discussing delegation arrangements, it was discovered that there are no official arrangements in place for performing the reconciliations when the usual officers are away from work. For short-term absences such as sickness or holidays, the work will be carried out by the usual officers on their return to work. For long-term absences, it is assumed that colleagues will be able to undertake the reconciliations, but there are no definite arrangements in place which creates the risk of failing to undertake the reconciliations in such circumstances. A note was seen in the Accounts Unit file for August 2019 explaining that the reconciliation was not made due to holidays.

5.2 The procedure for maintaining reconciliations has not changed much over the years, and the officers involved are aware of their duties. However, it was discovered that the new Byw'n Iach Cyf. Account had not been reconciled since establishing the company, due to a lack of awareness of the responsibility to conduct reconciliations.

5.3 There are a number of guidelines available that explain the various reports used to prepare the Council's bank reconciliations. As there is no official process to delegate work in a period of absence it is important that the guidance is up to date and describes the process step by step so that another officer can carry out the work when necessary. It is the intention of the services within Finance to update their guidelines to this effect. It became apparent during the audit that the Income Officer has extensive tasks in preparing various documents for the reconciliation of the Council's income. It was confirmed that a document was available in the Income Service which described the tasks of the Income Officer, but an expansion of the current document would give confidence that a deputy officer was fully familiar with the requirements in the absence of the usual reconciliator e.g. an example of the bespoke spreadsheets, their names and location, how to prepare the specific reports.

5.4 The Accountancy Service and the Income Service make use of iGwynedd and offer access to the relevant documentation to all relevant officers should delegation be required, as well as keeping paper files. However the Income Officer is aware that the spreadsheets need to be modified in terms of correcting/deleting/adding dates, columns and formulas to help a deputy officer should delegation be required in the future.

5.5 Most income reconciliation is carried out on a daily basis, which leads to a monthly reconciliation confirming that the daily reconciliations are correct. For the Senior Control Technician, the accounts are reconciled monthly as well as quarterly global reconciliation. To facilitate reconciliation, and to resolve discrepancies, some of the relevant tasks are carried out on a daily basis and others approximately every 10 days. There was evidence that the quarterly global reconciliation was being carried out in a timely manner by the Senior Control Technician and that the work was reviewed and authorized by the Group Accountant. Similarly evidence shows that the reconciliation of the Income Officer has been reviewed by the Income Manager and authorised by the Assistant Head - Finance.

5.6 The Accounts Unit and Income Section bank reconciliations for September, December 2019 and January 2020 were reviewed as part of the audit, including observing the Income Officer undertaking a daily reconciliation as well as the January 2020 monthly reconciliation. At the time of the audit, the January 2020 monthly reconciliation had not been reconciled.

5.7 It was found from the monthly reconciliation of the Income Service that there are a large number of historical adjustments made by the previous Income Officer and these are carried from one month to the next for reconciliation purposes. It can be seen that the monthly reconciliation process can be complicated, and despite the daily reconciliations that are carried out, discrepancies can occur in the monthly reconciliation, which is a laborious to resolve. The current daily reconciliations does not seem to eliminate the risk of the monthly unreconciling. There does not appear to be a procedure for removing or correcting the cumulative over/under banking, and the root cause for these differences could not be explained, which makes the spreadsheet unclear to lay users who may need to deputise, and means any mistake can skew the monthly reconciliation as a whole.

5.8 The monthly reconciliation showed an example of debit card payments, with the ledger total being £11 and the actual amount paid into the bank being £8. There is no procedure to rectify this and so will be placed under the heading of 'other adjustments', although there is an awareness that this difference of £3 may not be resolved.

6. **Actions**

   The Finance Department has committed to implementing the following steps to mitigate the risks highlighted.
   - **Ensure business continuity arrangements are in place by establishing appropriate delegation arrangements and updating guidelines to enable a nominated deputy to undertake bank reconciliations**
   - **Review the daily reconciliation process to mitigate the risk of monthly unreconciliations.**

BENEFITS SYSTEM – REVIEW FOR KEY CONTROLS
FINANCE

1. Background

1.1 The Auditor General for Wales Code of Audit Practice May 2018 states that the Authority's auditors in conducting their audit of the Council's accounts will depend, where possible on the work of Internal audit (and others). The Benefit System is regarded as an 'important financial system' and therefore an annual review is carried out on the system's key controls.

1.2 The Benefit Service will process claims for housing benefit and council tax reductions claims when an applicant submits an application to claim housing benefit and/or a council tax reduction together with appropriate evidence, including confirmation that they are short of income and unable to afford the rent and/or the cost of council tax

1.3 Since the 12 December 2018, Gwynedd is a full Universal Credit area. Universal Credit replaces six benefits, namely housing benefit, child tax credit, working tax credit, income support, employment and support allowance or jobseeker's allowance. All applications under the Council Tax Reduction scheme continue to be administered by the benefit service.

2. Purpose and Scope of Audit

2.1 The purpose of the audit was to ensure that appropriate arrangements were in place for the assessment and processing of benefit claims, that the benefit system accurately calculates the benefit amounts and is paid in a timely manner, by checking a sample of benefit claims for the financial year 2019-20. The audit also confirmed that appropriate reconciliations were carried out, review of the Unit's performance management arrangements and check that adequate data protection arrangements 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 Strong internal controls were seen to exist within the administration arrangements for the benefits system.

4.1.1 A sample of 30 new applications were randomly selected from the 'hb7243a' report and it was seen that appropriate evidence had been obtained for each application and that the evidence complied with a risk-based realisation policy. In addition, a sample of 15 extended and backdated applications were checked and found to be in accordance with current regulations.

4.1.2 It was observed that reconciliations of benefits was undertaken on a regular basis. The reconciliation spreadsheets for the months of April, August and December 201 were checked and the system was proven to agree with what was paid out.

PURCHASING AND USE OF P6 FORMS
ADULTS, HEALTH AND WELLBEING, CHILDREN AND SUPPORTING FAMILIES

1. Background

1.1 P6 forms are used for any expenditure within the Adults, Health and Wellbeing and the Children and Supporting Families departments either for raising a purchase order, paying invoices or for petty cash expenditure. A request was received to review the procedures for using the P6 forms while considering if the form is essential or whether it causes unnecessary duplication of work.

2. Purpose and Scope of Audit

2.1 The purpose of the audit was to ensure that appropriate administrative arrangements are in place for the purpose of placing orders and paying invoices whether to purchase goods or services as well as administering petty cash payments. To achieve this, the audit included verifying the suitability of the purchasing procedures within the departments and checking a sample of purchase orders to ensure the arrangements were fit for purpose. The audit also included a review of the petty cash procedures and any proposed alternatives within the departments.

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 The procedure to use P6 forms was introduced before the Local Government restructure in 1996 and is therefore a recognised document in which all the staff within the departments are aware. The P6 form was originally introduced as a result of substantial overspend and to ensure adherence with the Councils' financial rules and consistency and accuracy when purchasing goods/services as well as use of the correct expenditure codes/budgets.

4.1.1 The P6 form acts as an official purchase order form from a purchase order book and contains the same information as well as additional information which is relevant to the departments dependant on the type of order or payment required. In its absence, it's possible that the Adult and Children Finance Team would receive incomplete order requests which exclude essential information.

4.1.2 The P6 form is signed by a manager who has the authority to make purchase orders and/or is responsible for a budget. As a result, the form acts as authorisation for the Adult and Children Finance Team to complete orders and pay invoices. P6 forms are also acceptable in electronic format via e-mail and acts as authorisation if the responsible officer is the sender. If the P6 forms are not adequately completed with the required information, the orders/payments will not be processed by the administrative staff in order to ensure that a sufficient audit trail exists.

4.1.3   Correct use of the form when raising orders ensures that orders are completed and are raised centrally and therefore the invoices will be received centrally by the Adult and Children Finance Team. As the P6 form has already been authorised, the Adult and Children Finance Team can pay the invoice with the account code for the correct budget without delay and without the need to chase the individual responsible for the order/budget. This saves time by enabling invoices to be paid promptly while improving the department's performance in terms of invoice payment. This arrangement also avoids the possibility of invoices that require processing being left on desks of workers who might not visit the office frequently or on a regular basis.

4.1.4   The P6 procedure is also useful for electronic orders where the order is officially raised centrally. This procedure will be incorporated into the Care Director System (WCCIS) which is used by the Council's Care and Social Services. When this is implemented it will enable the purchasing process to be fully paperless.

4.1.5   The Adult and Children Finance Team, as well as the Internal Audit Service's opinion is that the P6 forms are useful. As is true with all processes, the relevant officers should continually review the procedures to ensure there isn't an element of duplication and that the arrangements fulfil the principles of 'Ffordd Gwynedd' by ensuring any unnecessary steps are recognised.

OVERTIME
CORPORATE

1. Background

1.1 Following a recent court case, there are concerns a new legislation will be enforced which would result in an increase in overtime expenditure. The legislation would give all workers who receive regular overtime payments the right to receive these payments in their holiday pay as well. The Highways and Municipal department anticipate a requirement to earmark an additional £193,000 to conform with legislation. As a result, a request was received by the Head of Department to review the management of overtime payments specifically within this department.

2. Purpose and Scope of Audit

2.1 The purpose of the audit was to ensure suitable arrangements were in place to ensure that overtime payments are appropriate and paid at the correct rates. The audit reviewed specifically at the Highways and Municipal department at the request of the Head of department. To achieve this, the audit included reviewing details of transactions from the ledger and selecting a sample of payments from different services and work locations within the Highways and Municipal department.

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's risks are as follows:

Risk Level	Number
VERY HIGH	0
HIGH	2
MEDIUM	3
LOW	0

5. Main Findings

5.1 Payments for voluntary overtime were seen in all services within the department and any new regulations or legislations would have implications meaning that it is unsustainable to continue paying overtime at the same rates. The department has already identified this and are in the process of identifying opportunities to modify staff structures and operating procedures.

5.1.1 There are a number of services where overtime payments are unavoidable, maintenance work on busy roads is carried out at night to minimise the effect on traffic as well as for the workers' safety and well-being. Responding to accidents on highways as well as gritting overnight are duties carried out outside of normal working hours which cannot be planned for and overtime is therefore the most effective way to pay the workforce. Tasks such as road resurfacing need to be completed on the same day, and in many instances, the length of a normal shift is not sufficient. It is more efficient to continue working on overtime rates rather than attempt to set up and continue on the following day, the characteristics of materials like 'tarmac' and the need to avoid waste is also relevant in the decision making.

5.1.2 Expenditure on overtime is very high in municipal services such as recycling and refuse collections. Overtime is paid in order to cope with time lost through vehicle breakdowns, failure to complete tasks within a shift and for missed collections. It is impractical to argue with residents over missed collections and overtime is paid to workers to return to collect them. The nature of the 12.33-hour shifts is such that the staff vary the routes they work on and do not necessarily collect recycling/refuse from the same properties. The department hopes that returning to weekly shifts will ensure more consistency concerning collection times for the residents and an improvement in the workers' familiarity of the routes and 'back door' collections.

5.1.3 The procedure to return to a normal working day of 7.5/7 hours has already started in Dwyfor since July and in Arfon since November with Meirionnydd to follow in 2020. Additionally, the department have negotiated with the unions in order to discard the 'task and finish' practice. The aim is to reduce the unproductive hours among the workforce, reduce overtime payments for work in addition to a normal shift and reduce the motivation to rush the work, which leads to injury and sickness absences. A direct correlation could be seen between sickness leave and the services where overtime payments were most prevalent namely refuse collection and recycling, Street Cleaning and waste sites. A large proportion of the overtime is in order to cope with lack of staff availability and to ensure service continuity.

5.1.4 The Working time Directive (1998) is a law that prevents employers from forcing workers to work beyond an average of 48 hours per week over a period of 17 weeks. Voluntary work such as voluntary overtime is not included in this total and employers are required to keep evidence when an employee signs a declaration to opt out of this regulation. Numerous staff work in numerous roles across different departments. The total hours recorded each week are high and in excess of 48 hours and therefore it should be checked whether there are any workers who need to opt out of the regulation.

5.1.5 The overtime rate varies across services and areas. Overtime in some areas was predominantly on a basic rate while other areas pay the majority on a 'time and a half' rate. It appears that work beyond a normal shift is paid at a 'time and a half' rate while a basic rate is paid for additional shifts, which cover staff absences. According to the relevant policies, officers on or above a pay grade of 23 are not entitled to receive overtime payments at a rate of 'time and a half' but a number of examples of this was seen.

Guidelines within the Highways and Municipal department state that planned overtime is to be paid at 'time and a half' while unplanned overtime should be paid at basic rate. This has been the subject of many discussions, but a definitive conclusion has not been reached and no definitive guidance has been provided due to differences in the nature of the work and different circumstances within different departments. The Human Resources service is in the process of reviewing the policy in order to publish a revised version, which is more suitable and appropriate.

5.1.6 In addition to changing the working procedures within the recycling and refuse work areas, the department are undergoing a process of restructuring since the appointment of a new head of service with the aim of the Highways, Municipal and Commissioning units operating within a more consistent and similar approach. The department also intend to review the procedural and staff structures of services within the department with the objective of reducing overtime expenditure. Successful trials have already been held in some services such as a waste site in Meirionnydd where the weekend has been incorporated into the normal working week. The department is progressing carefully due to the need to consider the nature of the work in different areas of Gwynedd before deciding on a practical and feasible structure.

6. **Actions**

The Highways and Municipal department has committed to implementing the following steps to mitigate the risks highlighted.

- **Draw up a current policy on overtime rates and payments.**
- **Monitor the work structure and the new shift patterns within recycling and refuse collection and amend the routes and staff levels as required.**
- **Organise shift patterns that are more appropriate to the nature of the work and consider veering from the traditional working pattern of Monday to Friday.**
- **Work closely with the Health and Safety service to draw up a training programme that prioritises the workers' well-being with the aim of reducing occupational injuries and sickness absences.**
- **Monitor the workers who record over 48 hours a week on a consistent basis and consider whether they need to opt out of the regulations.**

BRIDGES WORK PROGRAMME
HIGHWAYS AND MUNICIPAL

1. Background

1.1 Gwynedd Consultancy (YGC) plan and manage the Bridges Work Programme on behalf of the Highways and Municipal Department. The programme encompasses all highway structures including bridges, retaining walls and culverts that are owned by and the responsibility of the Council to maintain. YGC keeps a record of all these structures and operate a continuous inspection programme on the bridges in order to ensure they meet the required standards and requirements.

2. Purpose and Scope of Audit

2.1 The purpose of the audit was to ensure suitable arrangements were in place to operate an inspection programme on bridges Gwynedd Council are responsible for and that suitable arrangements were in place to prioritise essential work and select contractors. To achieve this, the audit included a review of the management of the asset register, budget control and methods of commissioning contractors for work.

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's risks are as follows:

Risk Level	Number
VERY HIGH	0
HIGH	2
MEDIUM	1
LOW	1

5. Main Findings

5.1 The range of structures categorised within the Bridges Work Programme is very extensive. The budget considers planned work and maintenance but in reality, unforeseen events result in the budget not being available to spend as planned. As a result, work planned for the short term is deprioritised in order to save resources with possible implications of considerably higher future costs.

5.1.1 YGC utilise the Bridgestation system that enables them to keep a record of all structures and manage the bridges' inspection programme.

The bridges' relevant details and findings from the Inspections undertaken are recorded as well as a consistent scoring method for all bridges. The system is used to record detailed information following visual inspections on the different elements of the bridges. These include recommendations for essential maintenance work as well as estimates for the cost of the work. This highlighted that the budget is insufficient to act on all recommendations and that monitoring for further deterioration is often the course of action for non-emergencies.

5.1.2 Some of the recommendations include minor works where a specialist contractor is not required and Highways Road workers could complete the tasks, although this does currently happen, a formalised structure or work programme is not in operation. Instead, the work is randomly assigned among a number of workers providing an element of inconsistency. It would be beneficial to formalise a more structured arrangement with a dedicated work programme and assigned staff.

5.1.3 Even though the budget is mainly for expenditure on inspections and maintenance of the highway structures, a large proportion of the budget has to be used for substantial work following damage and emergency works. Court cases because of events can also result in the budget being utilised to pay barristers to represent the Council. There are many examples where the budget has been used for reactive work rather than planned work and essential maintenance work. The budget for the following year has already been earmarked for required substantial work. This increases the period between identifying defects and completing the maintenance work that results in further deterioration and potentially increased costs.

5.1.4 YGC utilise a separate system to plan the work programme, monitor, and report on projects' progress. Although there is an intention to plan essential work on an annual basis in line with the available budget, emergency works resulting from unforeseen events must be prioritised. Consequently, a large proportion of the budget contributes toward reactive projects rather than planned improvements and building work. Any planned work projects are subsequently moved forward to the following year.

5.1.5 YGC are required to operate according to the Council's procurement rules and the Framework for appointing contractors but the reactive nature of the work features a number of projects which are emergencies and require attention as soon as possible. Complying with the guidelines can be restrictive and can result in significant delays in commencing the work. In order to cope with this there are occasions where YGC have elected to appoint local contractors that are available to commence work at the earliest opportunity to avoid disruption and ensure continuation of the council's other services. This is not ideal and despite the fact that the contractors appointed are part of the framework it does introduce an element of risk to the council, however this is far more practicable and enables the council to act sooner in order to deal with emergencies and reduce non beneficial costs such as traffic management.

5.1.6 The Quantity Surveyor team within YGC are in the process of drawing up procurement and tendering guidelines that are more 'fit for purpose' for this field of work. They also intend to adapt their scoring and pricing system in order to ensure more realistic quotes are received from potential contractors and in particular the smaller companies. The current framework expires during the summer and it is hoped that more efficient internal procedures will be in place in time for the new framework.

5.1.7 At present, YGC follow an inspection programme for bridges but there are no arrangements to inspect other highway structures such as retaining walls, which are also vital road and Highway structures in Gwynedd. In addition to bridges, it would be worthwhile to consider an inspection programme for these other structures; however, consideration must be given to the resources and budget available.

5.1.8 There have been many incidents in recent years where emergency works have been required, with significant budget resources consumed. Further deterioration of many structures is probable in the future, and this could lead to an increase in the number of incidents with implications such as road/structure closures, which would disrupt Gwynedd's services and its residents. It appears there is an element of hesitancy in utilising the budget for minor maintenance work, as there is a worry that incidents causing substantial damage are probable. As a result, there is a backlog of minor work that requires completion but a lack of resources in order to do so.

5.1.9 The risk score of this audit is not a reflection of the work arrangements and processes in place to manage the Bridges Work Programme. Rather, it is a reflection of the significant risks arising from the budgetary constraints in order to cope with events and emergencies beyond the control of the department.

6. Actions

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

- **Research and review if it is practicable to start an inspection programme for retaining walls in addition to bridges.**
- **Consider an addition to the Corporate Risk Register by noting that failure to fund maintenance work on bridges could lead to significant deterioration in the condition of the structures and more substantial future costs.**
- **Consider adopting a formal structured work programme that utilises Highways and Municipal staff to undertake maintenance work arising from the bridge inspections.**
- **Draw up and agree on new guidelines for tendering and appointing contractors, which are more 'fit for purpose' and facilitate the process of setting out work.**