



## 2.2 Audit Reports

2.2.1 The following table shows the audits completed in the period up to March 31, 2023, indicating the relevant assurance level and a reference to the relevant appendix.

TITLE	DEPARTMENT	SERVICE	ASSURANCE LEVEL	APPENDIX
Cost of Living Support Payments	Finance	Pensions and Payroll	High	Appendix 1
Additional Payments For Care Workers Part 2	Finance	Pensions and Payroll	High	Appendix 2
Data Protection	Finance	Information Technology	Satisfactory	Appendix 3
Planning – Communication Arrangements	Environment	Planning and Environment	Limited	Appendix 4
Ash Dieback	Highways, Engineering and YGC	-	Satisfactory	Appendix 5
YGC Project Management	Highways, Engineering and YGC	YGC	Satisfactory	Appendix 6
Neuadd Dwyfor	Economy and Community	Economic Development Programmes	Satisfactory	Appendix 7
Education Business Centre	Education	Resources	Satisfactory	Appendix 8
Free School Meals	Education	Resources	High	Appendix 9
Staff Recruitment and Retention Arrangements	Adults, Health and Wellbeing	Across the Department	Satisfactory	Appendix 10

TITLE	DEPARTMENT	SERVICE	ASSURANCE LEVEL	APPENDIX
Liberty Protection Safeguards	Adults, Health and Wellbeing	Across the Department	Limited	Appendix 11
Smallholdings	Housing and Property	Housing and Property	Limited	Appendix 12

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

<b>LEVEL OF ASSURANCE</b>	<b>HIGH</b>	Certainty of propriety can be stated as internal controls can be relied upon to achieve objectives.
	<b>SATISFACTORY</b>	Controls are in place to achieve their objectives but there are aspects of the arrangements that need tightening to further mitigate the risks.
	<b>LIMITED</b>	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.
	<b>NO ASSURANCE</b>	Controls in place are considered to be inadequate, with objectives failing to be achieved.

### 3. GWAITH AR Y GWEILL

3.1 The following work was in progress as at 31 March 2023:

- Psychological Safety (*Corporate*)

### 4. RECOMMENDATION

4.1 The Committee is requested to accept this report on the work of the Internal Audit Section in the period from 25 January 2023 to 31 March 2023, comment on the contents in accordance with members' wishes, and support the actions agreed with the relevant service managers.

## COST OF LIVING SUPPORT PAYMENTS

### 1. Background

- 1.1 In February 2022, the Welsh Government announced measures to aid people with the cost of living crisis. The measures include £152m for the purpose of providing cost of living payments of £150 to eligible homeowners under the main scheme and £25m to provide digressional support for other reasons related to cost of living. Guidelines were issued to the local authorities to introduce and administer payments under the Cost of Living Support Scheme and Digressional Support Scheme on behalf of the Welsh Government.

### 2. Purpose and Scope of Audit

- 2.1 The purpose of the audit was to ensure that appropriate arrangements were in place to distribute cost of living support payments to each eligible homeowner. To achieve this, the audit encompassed reviewing a sample of payments made to ensure that they have been implemented appropriately and in accordance with the guidelines under the Welsh Government's Cost of Living Support Scheme, with an effective audit trail.

### 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
<b>HIGH</b>	<b>Certainty of propriety can be stated as internal controls can be relied upon to achieve objectives.</b>

### 4 Main Findings

- 4.1 '*Capita*' created a script in the Council Tax system for the purpose of identifying all eligible households, exempting any empty homes and properties under housing associations or company names etc. As a starting point, eligible accounts with live bank details (i.e. those who pay council tax by direct debit) received the payment through BACS. Similarly, the same process was followed for the discretionary scheme (minus the accounts already paid under the main scheme, landlords of rented properties, house of multiple occupancies etc) before continuing the same process as in the Main Scheme.
- 4.2 For the remaining not paid by BACS, arrangements were made for recipients to receive a letter informing them to collect payments from postal offices through 'Allpay'. It was noted that these were despatched in stages (within Arfon, Arfon and Dwyfor, and Meirionnydd), to manage the risk of receiving overwhelming number of enquiries by the public. Note also that the deadline for payment collection was 30 days.

- 4.3 For payments not collected within the 30 days, the service was able to filter information further to create a form on the FFOS system for setting online payment requests, allowing claimants to enter the account number and PIN to collect payment. The alternative option was to collect from postal offices or payment by BACS within the Council's payment system.
- 4.4 It is noted in the Welsh Government guidelines *'The main scheme is intended to provide one-off support to each eligible household although additional support may be provided under the Discretionary Scheme to households which have received support under the main scheme. Authorities will need to ensure that they have mechanisms in place to prevent duplicate payments unintentionally being made to households where they or their partner have already received a payment from the authority under the scheme either as a single person or as part of the same or a different household'*. Following the distribution of the online form to collect payment, details were kept on a main register, with the remaining eligible households (exempting second homes/holiday homes) which was updated daily for collected payments. This was to manage the risk of duplicate payments to the same account (through FFOS highlighting duplicate claim details/invalid claims identified by inputting the account number and PIN) and to deal with public enquiries, in addition to identifying ineligible households i.e. ones with more than one property and holiday homes. This meant that although departmental systems such as 'Academy Revenues and Benefit', debtors, creditors show payments made, appropriate audit trail was maintained showing the true circumstances. Those not collected by the main scheme's deadline date of September 2022, were transferred onto the discretionary scheme.
- 4.5 Evidence was received confirming that the service was able to conduct a complete reconciliation of the cost of living monies paid out with the monies received from the Welsh Government.
- 4.6 From the reconciliations, it was seen that BACS returns were identified and treated appropriately, and figures presented to the Welsh Government could be confirmed.

## ADDITIONAL PAYMENTS FOR CARE WORKERS (PART 2)

### 1. Background

- 1.1 On the 10th of February 2022, the Welsh Government issued that a budget of £43m was available for additional payments to social care staff to reflect the actual cost of living. Payments are relevant to registered workers in care homes and the care home industry, in the adults and children's services and to personal assistants funded through direct payments. The payments were payable to social care staff that were employed in an eligible role on the 31 March 2022 and those that commenced work in eligible roles between 1 April 2022 and 30 June 2022. The sum of £1,498 gross was payable which meant that social care workers on a basic tax rate received approximately £1,000 take home pay after deductions. The payment was available in one payment or in monthly instalments and administered by the local authority on behalf of the Welsh Government.

### 2. Purpose and Scope of Audit

- 2.1 The purpose of the audit was to ensure that suitable arrangements were in place for administering additional payments to care workers. To conduct this, the audit entailed reviewing a sample of applications to ensure appropriate procedures were in place to verify before payment was made and that claims were administered in accordance with the instructions provided by the Welsh Government. The audit results are reported in two parts; Part 1 following verifying and paying claims to care workers up to August 2022 and part 2 reports on the procedures for recovering monies back from the Welsh Government in November 2022 to ensure accuracy and completeness in the work, including identifying and recovering any duplicate claims where relevant.

### 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
<b>HIGH</b>	<b>Certainty of propriety can be stated as internal controls can be relied upon to achieve objectives.</b>

### 4. Main Findings

- 4.1 Instructions provided by the Welsh Government were seen and followed by the Council when administering the additional payments to care workers and in accordance with the timescale.

- 4.2 From the duplicate payments identified by the Category and Development Officer in October 2022, it was seen on the application form used to pay the external provider that the sums had been recovered i.e. deducted from the total value of repayment to the external provider.
- 4.3 The final grant claim was presented to the Welsh Government at the end of December 2022 and a complete reconciliation was carried out by the Group Accountant.
- 4.4 It was confirmed that the Welsh Government had not paid the grant monies to Cyngor Gwynedd as yet, but an email was received from the Welsh Government stating that the aim is to process payments by March 2023.
- 4.5 A list identifying 2 duplicate payments was received from an external company employed by the Welsh Government to identify duplicate claims across all the local councils. From the 2 duplicate payments, assurance was given by the Category and Development Officer that one cannot be recovered as they are no longer employed in Gwynedd and will be reported to the Welsh Government to resolve, the second payment is being investigated for validity at present.

## 5. Actions

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

- **Confirm whether duplicate payments identified through the Welsh Government are valid and need to be recovered.**
- **Confirm that the final Welsh Government grant payment is received by the end of March 2023.**

## DATA PROTECTION - FINANCE

### 1. Background

- 1.1 Gwynedd Council's Data Protection Policy states “In undertaking its work, the Council will create, gather, store, and process a large amount of personal information about members of the public, staff, customers, service users and others. Therefore, it is necessary to adhere to data protection legislation – the UK General Data Protection Regulation 2016 and the Data Protection Act 2018.”

### 2. Purpose and Scope of Audit

- 2.1 The purpose of the audit was to ensure that suitable arrangements were in place to verify that the Council's Finance department complies with relevant data protection rules and legislation. To achieve this, the audit encompassed reviewing policies, management arrangements for protecting digital and physical data of different services, reviewing training arrangements and verifying what additional steps are taken to ensure compliance and to improve Gwynedd residents’ data security.

### 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
<b>SATISFACTORY</b>	<b>There are controls in place to achieve objectives but there are aspects of the arrangements that need tightening to further mitigate the risks.</b>

### 4. Current Score Risk

- 4.1 The audit’s risks are as follows:

<u>Risk Level</u>	<u>Number</u>
<b>VERY HIGH</b>	<b>0</b>
<b>HIGH</b>	<b>0</b>
<b>MEDIUM</b>	<b>5</b>
<b>LOW</b>	<b>0</b>

### 5. Main Findings

- 5.1 The Council's Data Protection Policy was reviewed. The policy is appropriate and contains useful information for staff. Point 22 of the policy, 'Review' states: 'This policy will be reviewed in 2 years.' The current policy was approved in May 2021, so it is within the 2-year review period.

- 5.2 The Managers questioned during the audit were aware of the data retention periods. A detailed document was received from the Senior Information Risk Owner which provides clear guidance on specific types of documents and data relevant to the work of the Finance department. Several managers reported that document disposal work had slipped due to COVID-19 and the changes to working arrangements that followed. Red sacks are meant to be used to dispose many paper documents at once. There was improper use of the sacks by leaving them in the open and not locked away. This increases the risk of data loss to a malicious individual as red sacks indicates that they contain sensitive information.
- 5.3 The Finance department uses several computer systems to process and store data. The rules regarding retention periods apply to this data as well. Concern was expressed about the lack of resources and the ability of systems to delete or anonymise only what needs to be deleted. Discussions have been held regarding this for some systems, but the changes are not yet operational. There are strong controls to control access to Finance computer systems that store sensitive data.
- 5.4 A Data Protection training plan was held for all Finance staff in October and November 2022. It's believed that these have been effective in ensuring that most Finance staff have received appropriate training. A sample of 12 staff records were reviewed, and all had received Data Protection training. Out of these 12, only 1 member of staff had accepted the revised Data Protection Policy (May 2021). 10 had not accepted the Policy since 2018 and one had not accepted the policy at all. It is essential that staff read and understand their responsibility to protect data and the implications of non-compliance.
- 5.5 Appropriate arrangements have been outlined in IT policies and procedures to ensure that the process of giving 3rd parties access to the Council's computer systems is secure. Necessary 3rd parties will be granted temporary access through 'Active Directory' (the system that controls access to the Council's network). It was discovered, with the help of the Security Engineer, that some 'temporary' accounts had not been closed. It is important that access is blocked once the 3rd party's work has been completed.

## **6. Actions**

**The Finance Managers and Finance Systems Administrators are committed to implementing the following steps to mitigate the risks highlighted:**

- **Ensure that red sacks are filled, closed, and passed to the collection company for immediate disposal or kept locked.**
- **Ensure that any paper data that is not within the relevant retention period is destroyed.**
- **Establish a procedure to ensure that data that is not within the relevant retention period is deleted or anonymised.**
- **Ensure that Finance staff read and accept the revised Data Protection Policy.**
- **Ensure that 'temporary' accounts are closed when no longer in use.**

## PLANNING - COMMUNICATION ARRANGEMENTS

### 1. Background

- 1.1 Gwynedd Council Planning Charter sets the standard of service that the Planning Service will aim to provide to customers. The Service's duties include providing general planning advice, pre-application advice, dealing with planning applications, applications for listed buildings, investigating allegations of unauthorised development and dealing with planning appeals and enforcement appeals.

### 2. Purpose and Scope of Audit

- 2.1 The purpose of the audit was to ensure that suitable communication arrangements were in place for the Planning Service. To achieve this, the audit included selecting and checking a sample of inquiries and planning applications and ensuring that the timeliness of response was in accordance with the Gwynedd Council Planning Charter.

### 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
<b>LIMITED</b>	<b>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.</b>

### 4. Current Score Risk

- 4.1 The audit's risks are as follows:

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

### 5. Main Findings

- 5.1 In accordance with the Charter the service needs to respond to electronic communications and letters with a full or interim reply within 15 working days of receipt. From the selected sample, all enquiries had received a response but 53% of them were not within the time frame.

- 5.2 The Charter refers to the Guidance Note on Pre-Application Advice Service where the Planning Service provides formal written information and advice for various proposed developments before applicants apply. Although automatic acknowledgments are sent to all applicants who submit applications before applying for planning to the planning inbox and through the Council's website it does not acknowledge applications in accordance with the Guidance Note. A sample of applications were checked, 57% did not receive an acknowledgment letter. Of the sample that had received acknowledgement, 67% had been sent within 5 working days in accordance with the guidance.
- 5.3 The Council will provide formal written advice within 21 days of the date of registering a pre-application advice form which is the statutory period. All requests in the sample had received a response, however 64% were not within the time frame. An average of 53 days was taken for the sample.
- 5.4 The Charter states that applicants should be contacted within 5 working days if an application is incomplete and/or invalid. 30% of the sample checked had not received a letter informing them of this within this time.
- 5.5 In accordance with the Charter, applications should be placed on the 'Track and Trace' facility within 24 hours of being recorded as valid. 65% of the sample were not on 'Track and Trace' within this time.
- 5.6 In accordance with the Charter, and statutory, decisions should be made on a minimum of 70% of all planning applications within 8 weeks, although major applications may take longer. For cases where more than 8 weeks are taken, applicants should be informed and given reasons if an extension of the 8 week period is required. Of the sample checked, 14/20 which is 70% received a decision within the 8 weeks. The remaining 6 where a decision had not been made within 8 weeks were checked and only 2 had agreed to an extension agreement (33%).
- 5.7 No record was seen that a visit had taken place for every relevant application in the sample.
- 5.8 The Planning Manager is aware that there are failures in terms of response periods. Although the staffing side of the service has been stable for about a year, staffing problems, capacity and backlog of work arising from the Covid period continue within other Council departments and delays in receiving advice on applications continue. In addition, officers tend to focus on planning applications as there is a higher risk with these i.e. possibility of having to repay fees if an appeal finds that there is a lack of decision.
- 5.9 It was highlighted that elements of the Planning Charter and the Guidance Note on Pre-Application Advice Service need to be updated.

## **6. Actions**

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

- **Respond to more pre-application advice requests and planning requests within the statutory periods.**
- **Ensure that all applicants receive an acknowledgment letter and an update of the status of their application if there is any delay in responding (strengthening the extension arrangements for planning applications).**
- **Ensure that planning officers check that all files are complete before deciding on applications and ensure that Team Leaders confirm this before authorising the decisions.**
- **Review the Gwynedd Council Planning Charter and the Guidance Note on Pre-Application Advice Service.**

## ASH DIEBACK

### 1. Background

- 1.1 Between 80-90% of every ash tree in Gwynedd is expected to die from Ash Dieback disease (*Hymenoscyphus Fraxineus*) in the coming years. There is no effective way of preventing the trees from being infected, nor treatment available for trees already infected. An Ash Dieback service has been established within the Council to attempt to manage and alleviate the disease's effects. The service is relatively new, and hence not all operating arrangements are in place as yet.

### 2. Purpose and Scope of Audit

- 2.1 The purpose of the audit was to ensure that suitable arrangements are in place to manage and alleviate the risks of Ash Dieback disease in Gwynedd. The audit focused primarily on how the service plan to manage the disease by reviewing the services' arrangements for planning, risk control, training, tree management, and procurement. The audit for 2023/24 will encompass arrangements for felling and maintaining trees in more detail.

### 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
<b>SATISFACTORY</b>	<b>There are controls in place to achieve objectives but there are aspects of the arrangements that need tightening to further mitigate the risks.</b>

### 4. Sgôr Risg Cyfredol

- 4.1 Mae risgiau'r archwiliad fel a ganlyn:

<u>Lefel Risg</u>	<u>Nifer</u>
<b>UCHEL IAWN</b>	<b>0</b>
<b>UCHEL</b>	<b>0</b>
<b>CANOLIG</b>	<b>3</b>
<b>ISEL</b>	<b>0</b>

### 5. Prif Ddarganfyddiadau

- 5.1 Ash Dieback disease creates obvious risks to biodiversity in Gwynedd, but also to people and vehicles should the trees and branches decay and fall. It has been identified as a risk within the Corporate Risk Register, with adequate steps of action having been noted.

There were more detailed risk management arrangements within the service, with effective health and safety risk assessments being kept, as well as records of any long and short term risks of managing the project. The associated health and safety risks are alleviated through the appropriate training and qualifications of service staff, as well as recording clear methods of how to work safely.

- 5.2 In order to manage the disease effectively it is imperative that the service have a suitable action plan in place, to identify, prioritize and cut trees, as well as plans for any restoration work. A plan was in the process of being created at the time of the audit, but has not been completed or released yet. It does however include all essential information, as noted in the template created by the 'Tree Council'. There is good content within the plan regarding strategic tree inspections and cutting. However, current and correct figures need to be included, as well as further details such as processes for communicating with private landowners, planting plans and biodiversity regeneration etc.
- 5.3 A review of Ash trees in Gwynedd was held in 2020 to support the application to create a specific service for Ash Dieback disease. This is the most relevant data that exists regarding most of Gwynedd's ash trees, other than a few additional reviews undertaken in the meantime. A sample of 10 high priority trees within Gwynedd was selected. High priority trees should be reviewed annually. 8 out of the 10 trees had been reviewed in 2020, with 2 having been reviewed in 2022, meaning that 8 of the 10 had not been reviewed in over 2 years. Leaving such a long time between reviews increases the risk of trees falling.
- 5.4 The service co-work with a company which use 'Ezytreev' software, a digital solution which will replace the current map and database. The service will need to ensure that the data will be inputted correctly, and that regular checks are held of Gwynedd's ash trees is maintained.
- 5.5 The services' procurement arrangements were reviewed, as they use external contractors to cut ash trees. Suitable procurement arrangements were in place, with appropriate steps taken based on the expenditure. One instance came to the Auditors attention that where the contractor offering the lowest price had not awarded the contract. This was justified verbally by the Ash Dieback Senior Officer, but no records had been kept on file of neither the criteria for selection, nor the decision to refuse.

## 6. **Actions**

**The Ash Dieback Senior Officer has committed to implementing the following steps to mitigate the risks highlighted.**

- **Ensure a suitable action plan is created for the service.**
- **Ensure the 'Ezytreev' system meets the services' needs, and that regular audits are held on Gwynedd's ash trees.**
- **Ensure that records are kept of criteria for work, as well as reasoning for decision making.**

## YGC PROJECT MANAGEMENT

### 1. Background

- 1.1 YGC manage a wide range of design and building projects. The arrangements for managing the projects vary, depending on their value, the source of funding, and the necessary experience and qualifications required for their management. Because of this, many YGC staff undertake a project manager role, leading to variations in the arrangements and methods used to manage different projects.

### 2. Purpose and Scope of Audit

- 2.1 The purpose of the audit was to ensure appropriate arrangements are in place when managing YGC projects, with consistency in the processes used by project managers. To determine this, the audit scope included checking managing arrangements for a selected sample of projects, reviewing the systems used for documenting and filing the information.

### 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
<b>SATISFACTORY</b>	<b>There are controls in place to achieve objectives but there are aspects of the arrangements that need tightening to further mitigate the risks.</b>

### 4. Current Score Risk

- 4.1 The audit's risks are as follows:

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

### 5. Main Findings

- 5.1 An audit on this area was conducted in 2021/22, at which time YGC were in the process of adopting K2 system, with the intent on either replacing the numerous different systems currently used, or integrating elements of these systems in order to avoid both duplication of work, and discrepancies with regards to administration arrangements. Elements of K2 are currently in place, however, the system scope has been extended to include further aspects of YGC's work, such as staff training etc.

As a result, it is not fully operational as a complete solution to YGC's projects management needs. This leads to work being duplicated, as information and documents are recorded in more than one location. A combination of K2, Keyedin and SharePoint systems are currently being used to record every aspect of YGC projects.

- 5.2 Internal Audits are conducted within YGC by the Quality Assurance and Environmental Officer 3 times a year, checking legal, environmental, health and safety, and financial elements of projects within every service within YGC.
- 5.3 A sample of 7 recent projects were selected, checking whether they had been managed in accordance with YGC's standard operating arrangements. Overall, it was identified that the standard arrangements are being followed, but that there are discrepancies in the level of detail and document keeping arrangements across different projects. Project Managers methods for storing documents differed, whereas fully adopting a K2 system would ensure consistency.

## 6. **Actions**

**The Business and Project Delivery Service Manager, and the Integrated Business Systems Officer have committed to implementing the following steps to mitigate the risks highlighted.**

- **Develop a K2 system to support all aspects of managing projects.**

## NEUADD DWYFOR

### 1 Background

- 1.1 Neuadd Dwyfor has recently been renovated, although unplanned building work continued during the audit. When fully operational, Neuadd Dwyfor will show films in the cinema, and will hold shows and concerts in the theatre. There is also a cafe and library on site, as well as rooms for hire. During the audit, the theatre, cinema, and rooms for hire were unavailable to the public due to the building works being carried out.

### 2 Purpose and Scope of Audit

- 2.1 The purpose of the audit was to ensure that adequate arrangements are in place to administer Neuadd Dwyfor's income and expenditure. To achieve this, the audit scope included reviewing arrangements for managing cash, online income, as well as the payments procedures.

### 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
<b>SATISFACTORY</b>	<b>There are controls in place to achieve objectives but there are aspects of the arrangements that need tightening to further mitigate the risks.</b>

### 4 Current Score Risk

- 4.1 The audit's risks are as follows:

<u>Risk Level</u>	<u>Number</u>
<b>VERY HIGH</b>	<b>0</b>
<b>HIGH</b>	<b>0</b>
<b>MEDIUM</b>	<b>7</b>
<b>LOW</b>	<b>0</b>

### 5. Main Findings

- 5.1 At the time of the audit, only the cafe and library had been open over the last few months. It was therefore accepted that limited financial information is available to make any financial projections. Once the Neuadd is fully open, a business plan will be essential to ensure that no opportunities to generate income and service the public are missed. The Library Services Manager expressed that elements of the plan were already in place.

- 5.2 It was seen that the Neuadd had a surplus of £67 in their float. The original float amount was £220 but was changed to £153. This cash was not being used, which increased the risk of unnecessary financial loss to the Council. It was agreed that it would be returned to the Council.
- 5.3 The Neuadd's cash receipts are kept in a safe, and whilst parts of the Hall are closed it provides effective controls over access. However, before the rest of the Neuadd opens to the public, any cash should be kept in another secure location, as the associated risks are increased. Receipts are not banked weekly, increasing the risk of financial loss to the Council.
- 5.4 Petty cash cheques were present at the Neuadd, with no use being made of them. It is important that petty cash be used to purchase supplies, rather than members of staff claiming reimbursement for purchases made using their own cash. The Libraries Services Manager, and the Performance Arts Officer need to decide regarding these arrangements, and either use the cheques or not.
- 5.5 A sample of the Neuadd's income was reviewed. Income received online and cash receipts were reconciled. It was not possible to reconcile the Neuadd's card machine income with the Council's cashbook. It came to the auditor's attention that 1 TR34 form (income record form) is produced daily to record card machine transactions. There are 3 card machines in use at the Hall, therefore 3 TR34 forms should be completed to ensure a suitable audit trail for all income. There were discrepancies between the amounts recorded on the TR34 forms, and the amounts which were received in the bank for the sample selected.
- 5.6 Training records were reviewed for 3 members of staff, including the Performance Arts Officer. None of the sample had received any financial training. It would be beneficial for the Performance Arts Officer to receive financial training and/or training on income arrangements from the Income Reconcile and Process Officer.

## 6. Actions

**The Libraries Services Manager and the Performance Arts Officer have committed to implementing the following steps to mitigate the risks highlighted:**

- **Create a business plan for Neuadd Dwyfor.**
- **Return the £67 surplus from the float.**
- **Ensure that petty cash (other than the float), is kept in a secure location, where the public will not have access, once other parts of the Neuadd re-open.**
- **Use or dispose the petty cash cheques.**
- **Bank cash weekly.**
- **Complete a separate TR34 form for card payments for each till to ensure accuracy.**
- **Ensure the Performance Arts Officer receives appropriate financial training.**

## EDUCATION BUSINESS CENTRE

### 1. Background

1.1 The purpose of the Education Business Centre is to provide a service that supports effective administrative management for Gwynedd's primary schools.

### 2. Purpose and Scope of Audit

2.1 The purpose of the audit was to ensure that suitable arrangements are in place at the Business Centre to ensure that effective support is available to manage Gwynedd's primary schools. To achieve this, the audit encompassed reviewing the support for a sample of schools ensuring that they comply with different elements of the Service Level Agreement such as financial management, information management (SIMS), support for teachers and administrative assistants together with the administration of appointments.

### 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
<b>SATISFACTORY</b>	<b>There are controls in place to achieve objectives but there are aspects of the arrangements that need tightening to further mitigate the risks.</b>

### 4. Current Score Risk

4.1 The audit's risks are as follows:

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

### 5. Main Findings

5.1 The Education Business Centre consults regularly with the Management Board, which includes representatives of primary school heads. A sample of three schools was selected (Chwilog, Nebo and Yr Eifl) and a copy of the Service Level Agreement (SLA) between the schools and the Education Business Centre was seen, but some elements in the agreement were irrelevant as new arrangements are now in place. The Business Education Centre Leader was aware of this and had already created a document with everything that needed to be changed or removed from the arrangement. The current SLA expires in March 2024 and a new agreement will be arranged in due course.

- 5.2 The order processing procedure was reviewed and seen to be inconsistent as some schools make orders by phone, some order online, and others make orders on the financial system FMS (Financial Management System). The schools do not make an order for each case on the FMS system, and therefore it does not give a complete accurate picture of the schools' expenditure and the money that is left, as financial reports generated from the FMS system does not include the expenditure of orders that have not been picked up through the FMS system. The centre is in the process of looking at trialling an e-procurement system for the schools, similar to the system the Council has internally.
- 5.3 It was seen that the Business Centre offers support to new headteachers, staff and clerical assistants by having meetings or by visiting the school as needed. Documents and guidelines were seen which have been created as guidance/support for the schools for new appointments, job advertising, and invoice processing. There is also work underway to create an intranet for the Education Business Centre following sending out a questionnaire to school administrators as well as consultation work carried out with the Management Board to facilitate access to the information relating to the Education Business Centre.
- 5.4 The 'School Workforce Annual Census' (SWAC) and 'Pupil Level Annual School Census' (PLASC) reports are expected to be produced annually. This is done by entering the information into SIMS and then uploading to the DEWi site, in order to produce reports to send to the schools to check. If the information needs to be modified further, that will be done in SIMS first and then it will be re-uploaded to the DEWi site. In addition, it was seen that the Business Centre ensures that the Education systems, FMS and SIMS.net are kept up to date.

## **6. Actions**

**The Education Business Centre Leader has committed to implementing the following steps to mitigate the risks highlighted:**

- **Look at systems where it is easier to raise an order, such as an e-procurement system and encourage larger schools to take a credit card themselves.**

## FREE SCHOOL MEALS

### 1. Background

1.1 The Welsh Government announced on 20 March 2022 that all primary school children in Wales will gradually be provided with free school meals from September 2022 onwards. The youngest primary school children will be eligible before the scheme is gradually extended to all primary school children over the next three years. The Welsh Government is working with schools and local authorities to plan and prepare the infrastructure needed to meet the assumed additional demand for school meals. Revenue funding of up to £200m has been set aside for local authorities to fulfil the commitment, £40m to be provided in 2022 to 2023, £70m in 2023 to 2024 and £90m in 2024 to 2025.

### 2. Purpose and Scope of Audit

2.1 The purpose of the audit was to ensure that suitable arrangements are in place to prepare for all primary school children becoming eligible to receive free school meals. The audit encompassed reviewing the administration arrangements and the plans in place to provide the free meals by ensuring that the schools plan appropriately to manage the increase in demand as well as providing a quality service and ensuring that no children miss out on free meals.

### 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
<b>HIGH</b>	<b>Certainty of propriety can be stated as internal controls can be relied upon to achieve objectives.</b>

### 4. Main Findings

- 4.1 Appropriate plans and arrangements are in place to prepare and deliver free school meals to all Gwynedd primary school pupils. Gwynedd schools started providing children in reception classes and year 1 with free meals in September 2022, year 2 children by January 2023, with children in all years to receive a free school meal by September 2023, which is one year earlier than the Welsh Government's target of 2024.
- 4.2 All schools were seen to have acted on the plans and free school meals have been in place in a timely manner across Gwynedd's primary schools. Several schools are in the process of having an extension built to have more space to keep equipment and stock, and applications have gone in for more kitchen staff.

- 4.3 When reviewing the financial ledger, it was not possible to reconcile the payments back to the reimbursement claim which is submitted monthly to the Welsh Government. The Group Accountant stated, 'the September payment has been paid as a single sum', and it was acknowledged that 'the October payment has been paid as part of quarter 3's comprehensive LAEG request. A payment for November 2022 had not been received during the audit (February 2023) but finance officers are following up on the matter. The LAEG grant combine many other grants into one comprehensive grant therefore in accordance with the usual arrangements, the Finance Development Unit will agree the income at the end of the financial year to ensure that they agree with the claims that was prepared to Welsh Government.
- 4.4 The Education Catering and Cleaning Service Manager stated that the payment received from the Welsh Government, £2.90 per person, is not sufficient to cover the costs of school meals and that discussions at the Wales forum aims to resolve this matter.

## RECRUITMENT ARRANGEMENTS AND STAFF RETENTION

### 1. Background

1.1 Issues regarding difficulties in recruiting and retaining staff were reported to the Care Scrutiny Committee in June 2019. Since the pandemic, the situation has worsened with high levels of staff leaving causing further problems and increasing the workload of the current staff. This meant that there is a risk of the Council failing to provide a statutory service to the public, so it is important to have plans in place to ensure continuity of service for all those who need them.

### 2. Purpose and Scope of Audit

2.1 The purpose of the audit was to ensure that suitable arrangements are in place for recruiting and retaining staff in the Adults, Health and Well-being department. To achieve this, the audit encompassed reviewing the Recruitment and Appointment Policy, monitoring arrangements, a sample of advertisements and application forms, plans for retaining staff together with contingency plans for mitigating the risks of a lack of resources.

### 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
<b>SATISFACTORY</b>	<b>There are controls in place to achieve objectives but there are aspects of the arrangements that need tightening to further mitigate the risks.</b>

### 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	3
LOW	0

### 5. Main Findings

5.1 The Adults, Health and Well-being department has a staff Recruitment and Retention strategy in place, and recruitment meetings are held to discuss events, campaigns and to share ideas. Campaigns were carried out locally targeting areas experiencing staffing difficulties. The department, together with partners, are trying to change the existing image in the care industry, highlighting the wide range of opportunities that exist, the flexibility of the contracts that are available and the benefits for staff.

The Council has reviewed the process of appointing new staff and modifications have been made to simplify the process and speed it up e.g. by simplifying the application form.

- 5.2 19 job advertisements were reviewed on the Council's website at the time of the audit, and all contained the required statements which encourage applicants to submit their applications in Welsh or bilingually. In accordance with the Recruitment and Appointment Procedure Policy, in circumstances where there are recruitment problems, the service may consider appointing an individual who does not meet the necessary linguistic skills but is willing to commit to learning, and that the third advertisement should include an additional statement to explain this. It was seen that three of the advertisements did not contain this statement even though one of the jobs had been advertised 5 times and the other two had been advertised 8 times.
- 5.3 During the period between April 2021 and March 2022, 9 members of staff from social work teams in the Adults, Health and Well-being department left their jobs for other local authorities. A task group had been set up to look at the salaries of social workers, occupational therapists, and social care practitioners. In addition, the department was trying to attract money from different funds including making a bid for the '*Cynllun Yfory*' scheme, but although unsuccessful on this occasion, it was noted that the Corporate department was happy to have discussions on how to work together to co-ordinate elements of the '*Cynllun Yfory*' scheme and the plan to best recruit social workers.
- 5.4 The Care Scrutiny Committee noted in September 2022 that financial contributions are being made for the salaries of staff in the care sector offering a 9.99% increase at the highest point for many of the front-line staff, and 10.19% for the lowest point. The job descriptions for frontline staff in the internal adult care (social workers, occupational therapists and social care practitioners are excluded from this category) have been reviewed and re-evaluated, with a bid made for a budget to fund the difference between the current pay scales and the new evaluation.
- 5.5 One of the arrangements in place by the department is to set up exit interviews when individuals leave their job to be able to see patterns/reasons for leaving. The Workforce Development Manager explained that there have been some difficulties with this system, and that the service intends to move the exit interview forms to self-service. Over 95% of the Adults, Health and Well-being department is registered with self-service, but the largest numbers who are not registered work in Residential Homes.
- 5.6 A sample of 10 staff who started with the Adults, Health and Well-being department from September 2022 onwards was reviewed, showing none have read the policies on the Council's intranet.

## **6. Actions**

The service has committed to implementing the following steps to mitigate the risks highlighted:

- **Ensure that additional statements are included in every third advertisement in accordance with the Procedure and Recruitment Policy.**
- **Arrange to hold presentations and training on the Council's systems to increase staff use and to include it as part of the induction process.**
- **Moving the leaving form system to the Council's Self Service system.**
- **Promote managers to provide information about the leave forms to staff.**

## LIBERTY PROTECTION SAFEGUARDS

### 1. Background

- 1.1 The Liberty Protection Safeguards (LPS) were introduced in the Mental Capacity (Amendment) Act 2019 and will replace the Deprivation of Liberty Safeguards (DoLS).
- 1.2 The LPS have been designed to reinforce the rights, wishes and feelings of people putting them at the centre of all decision-making on their care, support and treatment including where a deprivation of liberty is being considered.

### 2. Purpose and Scope of Audit

- 2.1 The purpose of the audit was to ensure that suitable arrangements are in place to respond to the new requirements of the LPS as well as ensuring that the current DoLS arrangements are fit for purpose. To achieve this, the audit encompassed ensuring that adequate arrangements are in place for the new requirements as well as reviewing existing arrangements for DoLS assessments.

### 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
<b>LIMITED</b>	<b>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.</b>

### 4. Current Score Risk

- 4.1 The audit's risks are as follows:

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

### 5. Main Findings

- 5.1 The UK Government's target date for the implementation of the LPS and the Mental Capacity (Amendment) Act 2019 has not yet been confirmed. It is intended that UK Government will take the feedback from the recent consultation into consideration in agreeing an implementation date. The new regulations for Wales will set out how the LPS will operate in Wales. As a result, the DoLS remains active.

- 5.2 The first year of implementing the LPS will be a transitional year, where the DoLS and the LPS will run alongside each other. During this transitional year new cases as well as reviews of existing DoLS authorisations will be considered under the LPS. Similar transition arrangements will apply to 16 and 17 year olds who are currently supported through the Court of Protection.
- 5.3 Planning and training the workforce that will be involved in the implementation of the LPS is crucial. It will be necessary to ensure that there are enough trained AMCP<sup>1</sup> workers, enough Independent Mental Capacity Advocates (IMCA), as well as people who are trained to undertake assessments, determinations, and pre-authorisation reviews. There are no concrete training arrangements in place now as no code of practice has been established by the UK Government following the consultation. However, it was noted that attention is being given to focus on increasing officers' knowledge regarding the Mental Capacity Act so that they have a foundation for LPS training when it comes.
- 5.4 Under the DoLS arrangements assessments are carried out by Best Interest Assessors (BIA). Currently, the DoLS Team consists of the DoLS Co-ordinator and one Social Worker – BIA; both work part-time. The Council has several BIA officers, but they do not work full time on DoLS cases, as they are in other day to day jobs which take priority. Despite the service's efforts to appoint a BIA they have not been successful. Grant money is used to hire agency staff and private BIA. The lack of staff resources means that there is a high risk that the Council will be unable to prepare for the LPS and provide an appropriate service to safeguard and protect vulnerable/at risk individuals.
- 5.5 There are a high number of individuals on the waiting list to be assessed, some for several years which does not comply with the current Act (Mental Capacity Act 2005). Following an analysis of the DoLS data it emerged that it is not completely up to date i.e. there is a possibility that the individuals have moved home or died since receiving the application.
- 5.1.5 The number of days on average to complete a normal assessment for the sample reviewed is significantly higher than expected. This means that there is a risk the Council could be punished.

## 6. Actions

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

- **Continue to check for any updates relating to the LPS by attending meetings of the National LPS Group, continue to discuss with the Workforce Development Team.**

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<sup>1</sup> Approved Mental Capacity Professional

- **Continue to liaise with the regional contact for updates as well as continue to provide training to officers regarding the Mental Capacity Act.**
- **Arrange for an Administrative Assistant to update the DoLS spreadsheet data monthly.**
- **Continue to establish a list of external BIA officers who can be used to carry out the assessments.**
- **Use grant money (should further grants be received from the Senedd) to employ agency staff and external BIA officers to try to tackle the waiting list.**
- **Continue to ask the internal BIA officers to carry out assessments in their own time.**

## SMALLHOLDINGS

### 1. Background

- 1.1 Statutory provision by the public sector of relatively small units of land and property used for agricultural purposes dates back to the 1892 Small Holdings Act. Most of them were established following the First World War with the intention of offering opportunities for young families to start farming on their own. These holdings are rented out to tenants for income.

### 2. Purpose and Scope of Audit

- 2.1 The purpose of the audit was to ensure that suitable arrangements are in place to provide the best opportunities to Gwynedd's young farmers and to ensure that there is an adequate management system in place for letting and managing holdings. To achieve this, the audit encompassed reviewing policies, ledger transactions and income collection processes, contracts, and maintenance arrangements.

### 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
<b>LIMITED</b>	<b>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.</b>

### 4. Current Score Risk

- 4.1 The audit's risks are as follows:

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

### 5. Main Findings

- 5.1 In March 2018, Internal Audit was of the opinion that no assurance of financial propriety could be given on the income arrangements of smallholdings as the controls were not sufficient, and losses arising from these weaknesses had been identified.

- 5.2 A Smallholdings Management Policy was adopted by the Property Committee in 1996 and was reviewed by the Smallholdings Working Group in 2009. In addition, the Council's smallholdings' estate management arrangements were discussed by Cabinet in 2019. However, the Policy has not been updated to include current procedures.
- 5.3 A sample of smallholdings was selected by reviewing rental income in the ledger. The 2018 internal audit discovered that the Council raised invoices through recurring billing, which means that invoices are automatically generated periodically, for a specific number of years, but controls within the financial system limited that number up to a few years. When these billing periods ended, the rent invoices were not raised, and this was not known to the Service leading to losses. The Finance department has been able to modify the system so that the recurring billing periods are now much longer.
- 5.4 A copy of the Excel document that the Service uses to administer the estates was received. It sets out what information the Service possesses about all the Council's smallholdings based on information gathered by a former officer. The Estates Manager explained that due to recruitment difficulties there has not been a specific officer managing the smallholdings since the former officer left, so the Council has appointed an external company of Chartered Surveyors to do the work. The information about the holdings was not complete as much of the historical information was likely to be on paper files. The Service is aware of this and is working with the external company to review and formalise arrangements and resolve historical legal issues.
- 5.5 Eight examples of inconsistencies were seen between the annual rent amount stated on the Service's spreadsheet and what has been invoiced to the tenant. Although a new tenancy agreement was drawn up after the last rent review in 2018, it appears that several tenants continue to pay the reduced rent amount prior to the review. The next rent review will take place later in 2023.
- 5.6 The Service receives a quarterly report of tenants' rent arrears. Many tenants pay monthly, but examples were seen where annual rent invoices remain outstanding.

## 6. Actions

**The Estates Manager has committed to implementing the following steps to mitigate the risks highlighted:**

- **Update the Smallholdings Management Policy to ensure consistency, encompassing e.g. responsibilities, procedure for letting the units, rent review, debt recovery and internal administration.**
- **Update the Service's records with current details of the holdings.**
- **Ensure that the tenants pay the correct rent.**
- **Review the arrears reports and assist the Finance department to recover them.**