

APPENDIX 3 – Executive Summaries finalised since last update to Accounts, Audit & Risk Committee May 2023

Finalised Audits 23/24:

Community Development Projects 23/24

Overall conclusion on the system of internal control being maintained	A
---	---

RISK AREAS	AREA CONCLUSION	No of Priority 1 Management Actions	No of Priority 2 Management Actions
Governance, Policies and Procedures	A	0	3
Process & Decision Making	G	0	1
Finance & Monitoring	A	0	2
Management Information	A	0	2
		0	8

Opinion: Amber	
Total: 8	Priority 1 = 0 Priority 2 = 8
Current Status:	
Implemented	0
Due not yet actioned	0
Partially complete	0
Not yet Due	8

The Wellbeing & Housing Service is responsible for administering a wide range of funding and grants to support community development projects and partners. While some funding is obtained from Government grants and other sources, this audit focused solely on projects funded by the Council's core budget. For 2022/23, this totalled £435k, ranging from £60 to £53k. The audit confirmed all funding sampled was issued in line with Council objectives, but noted approaches to how funding is documented, issued, and monitored, vary by project.

Governance, Policies and Procedures

The audit observed that there is no overarching grant or funding policy within the team to provide a governance structure for the allocation and administration of funding allocated to community organisations. There is also a lack of guidance in place for staff members in regard to the key processes involved in allocation of Council funds.

Sample testing carried out identified that there is no standard letter or standard set of terms and conditions issued with funding with the various teams using slightly different formats and content. Instances were also identified in which funding agreements were not issued.

Process & Decision Making

Grant application forms include specification of the documents required to support the application, for example latest set of annual accounts, organisation constitution, and annual reports, however sample testing identified that these are not consistently requested.

The audit also found that “trusted partners” (those who have worked with the Council for a long time and receive funding year on year), are not subject to routine due diligence checks (for example financial position), the implementation of which, if carried out on a risk-based and proportionate basis (depending on the value being awarded), could help to provide assurance over the partners’ continued suitability to receive Council funding.

Finance & Monitoring

In terms of monitoring spend and outcomes, the audit found the approach applied to communicating expectations to those in receipt of funding to vary by project, for example how monitoring activities would be undertaken. From the ten projects sampled, ranging from £1,000 to £4,900, seven were found to have some form of funding agreement in place, although review of these highlighted one had not been signed or dated by either party, and another had been signed and dated two months after the funding had been received.

The audit noted a wide variety of methods being used to monitor delivery of projects, including quarterly monitoring meetings with community groups and organisations, visits to activities and sessions, email updates, phone calls, and both interim and final reports, showing a good working relationship with the providers and a commitment to ensuring projects are successful and deliver the intended outcomes. When comparing these activities to original funding documentation, it was noted they did not always match up with the detail provided in the relevant funding agreement, and some delays were noted in both receiving and reviewing information provided (for example an annual report expected March 2023, for a project that ended January 2023, has not yet been provided by the organisation).

Management Information

The audit established that there are regular monthly update meetings with the Portfolio Holder for Wellbeing, with attendance from the Chief Executive and Assistant Director Wellbeing & Housing. The meetings provide updates on activity and projects and provides the portfolio holder with oversight on the work the team are undertaking, with the opportunity to request additional information or figures in particular areas.

There is also quarterly reporting in the Performance Report to the Executive on the three Business Plan measures related to this area of work, providing a narrative update on progress against each measure. For the three reports reviewed (September, December, and March) these measures were all reported as delivering to plan and RAG rated Green.

It was noted that the Service Development Plan contains the milestone actions for each Business Plan measure, and the key milestones to be achieved each quarter. It was reported that there are meetings with the team to discuss these actions, although it is noted this could be enhanced to capture delivery of the milestones more accurately, such as when and how these have been met, to ensure information reported in the above forums is accurate and timely.

The Local Government Transparency Code 2015 requires that details of expenditure over £500, including grants to voluntary, community and social enterprise organisations, are published annually. Review of the published spend reports identified that two payments from the ten sampled were not included within the report. This is being followed up and corrected by Finance who have identified that one of the omissions was due to a system error in which cheque payments were not being included within the system generated report following the implementation of the new finance system in 2021. The other payment that was not included in the report is being investigated by Finance.