



Audit Services Report

**Grants
2015/16
Report ref: C6/7**

Report

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1 Background

- 1.1 This audit is being undertaken as part of the shared annual audit plan for 2015/16.
- 1.2 Internal Auditing is an independent, objective assurance and consulting activity to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.
- 1.3 As part of this review Audit Services identified the following key controls:
 - KC1 Grant procedures comply with regulations and guidance, with all government returns accurately reflecting underlying records
 - KC2 All applications are properly administered, treated consistently, only processed if complete, have adequate supporting documentation and are dealt with promptly
 - KC3 Applications are legitimate and appropriate and checks are in place to prevent the occurrence of fraud
 - KC4 Transactions are calculated, valued and allocated correctly; monitoring is adequate and timely

2 Audit Scope

- 2.1 The scope of the audit involved the review of full controls by undertaking sample testing including review of processes and procedures, documentation and interviews with relevant staff.

3 Audit Opinion

3.1 A summary of Internal Audit's opinion levels and their definitions is provided below:

Level	Definition
Significant Level of Assurance	The system of internal control is designed to support the Council's corporate and service objectives and controls are consistently applied in all the areas reviewed.
Good Level of Assurance	There is generally a sound system of control designed to support the Council's corporate and service objectives. However, some improvements to the design or application of controls is required.
Partial Level of Assurance	Weaknesses are identified in the design or inconsistent application of controls which put the achievement of some of the Council's corporate and service objectives at risk in the areas reviewed.
No Level of Assurance	There are weaknesses in control, or consistent non-compliance which places corporate and service objectives at risk in the areas reviewed.

3.2 Based on this report's findings, Audit Services have given a Significant Level of Assurance on the Internal Control Framework within the function in line with the new Public Sector Internal Audit Standards.

3.3 The key controls are considered met with one recommendation being made in KC4, the key risk for which is described in section 4 below.

4 Detailed Findings & Action Plan

The audit findings are detailed in this section on an exception basis only for the attention of management, therefore KCO's with adequate controls are not included.

Recommendations are prioritised as follows:

Priority 1 - These relate to significant gaps in the Internal Control Framework

Priority 2 - These relate to minor gaps in the Internal Control Framework or significant issues of non-compliance with key controls

Priority 3 - These relate to minor issues of non-compliance with controls.

Ref	Findings	Risk	Recommendations and Management Response	Officer Responsible and Implementation Date
KCO4: To ensure that monitoring is adequate and timely and transactions are calculated, valued and allocated correctly				
1	Procedure requires for contact to be made with organisations where unclaimed grant monies are outstanding. Two organisations had outstanding grant claims ie. Cononley Art Group and Glusburn, Crosshills & Sutton Dog Fouling Focus Group, being £200 and £1,621.10 respectively. The first was awarded in March 2014 and the second in March 2013. The Auditor has since been informed that these groups are due to be contacted in the final quarter of 2015/16 as part of the year end process.	Funds are not returned as savings or redistributed.	R1:Priority 2 The named groups should be contacted to determine their continuing need for the grant award. Management Comment: Agreed	Communications & Partnerships Manager 31/03/16

The agreed actions will be subject to a follow up review to establish whether they have been implemented.

Any queries or requests for further information regarding this report should be directed to Audit Services on extension 56116.

Audit Services would like to thank the officers involved for their assistance during this audit.