

Memorandum

To: See circulation below

From: Lucy Lonergan

Ext: 2036

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GRANTS TO VOLUNTARY ORGANISATIONS - FOLLOW UP

A review of grants to voluntary organisations was undertaken at the request of the Overview & Scrutiny Committee as it had been identified as an emerging risk following the HAVS investigation. A report was issued on 30 March 2011 detailing the findings of the review and the agreed action to address all of the 32 recommendations made to officers. This follow up was started in July 2011 however

It was established that the action agreed to address 20 of the 32 recommendations has been fully implemented and evidence was obtained to support this. It was established that 10 of the remaining 12 agreed actions have been partially implemented. These relate to;

Ref	Recommendation	Current Position
15	An overarching policy document for grants to voluntary organisations being drawn up and approved by GAP	An overarching policy document is in development as part of the proposed Third Sector Investment Plan to be presented to Cabinet in October. It will set out a strategic approach to Council funding. Consultation has been undertaken and draft proposals have been discussed by GAP. The grants criteria, application form and scoring mechanism has been updated for GAP approval and consultation on the funding code is underway for discussion by GAP in September.
19	Documented procedures being drawn up and made available to relevant staff	Some progress has been made with several meetings having taken place with officers across directorates to clarify roles and responsibilities regarding for example, the evaluation of supporting documents.
21	The terms of reference should be updated to include suggestions from Internal Audit	The terms of reference has been updated but does not include all suggestions made.
38	The separate departments within the Council working together to take a more joined up approach to providing funding	Cross-directorate working to ensure a more joined up approach to funding has commenced. A mapping of all funding provided by Council departments has been completed. Joint monitoring commenced in 2010 and will be further developed for 2011. The Third Sector Investment Plan will set out a strategic approach to funding that mitigates against the risk of duplication and perceptions of a lack of co-ordination.
47	The grants team being provided with training on the quality of information provided by organisations	Several meetings have taken place regarding this recommendation. Training sessions for Grant Officers are being arranged with Health and Safety, Finance and Safeguarding teams to support Officers in checking the quality of information provided by organisations during monitoring visits. It is recognised that this is an area of potential risk to the Council. Further discussion is required to ensure that this risk is identified on the Corporate Risk.

48	Formal arrangements being made with the appropriate sections within the Council to assist with evaluating the adequacy of documentation supplied	Discussions have taken place with the appropriate sections of the Council. There are capacity implications for these teams if they are to assist with evaluating documents. Some training is being organised however, it has not been agreed who will be responsible for evaluating documents. There are not sufficient resources available to help organisations reach the required standard however the new CVS service will provide support in this area.
53	The appeals process being formally documented to include all laid down criteria and that this is part of an overall agreed policy	Documentation of the appeals process will be included in the Third Sector Investment Plan During 2011/12 the same appeals criteria was used as in previous years. The Portfolio Holder set out the decision-making process to be followed in the April Cabinet report and the decisions of the appeals panel were documented.
74	Officers undertake a specific check on all jointly funded organisations	A mapping exercise has been undertaken to map all Council funding provided to voluntary organisations. A list of jointly funded organisations has been drawn up with a list of projects funded by each department. The joint monitoring process will assist further in identifying any duplication of funding.
80	A mechanism being introduced whereby specific checks are made on organisations' reserve funds	The revised grant application form asks about an organisations reserves and reserves policy. This will enable Officers to identify organisations holding reserve funds and whether or not a reserves policy is in place. The training arranged for Grant Officers will include guidance on identifying reserve funds. Guidance on the withdrawal of a grant award where substantial, uncommitted reserves have been identified is yet to be developed.
84	Children's Services joining with the Grants team and Adults Social Care to share the monitoring process	Children's Services have joined the joint monitoring process for 2011/12 this will ensure that organisations receive only one visit from the Council. The process for reviewing and signing-off monitoring reports has yet to be developed.

It was further identified that 2 recommendations have not been implemented, these relate to requesting budget information from organisations receiving in excess of £10,000 funding and reports being made to GAP on the monitoring process to assist with ensuring that they are aware of all relevant information and any issues arising from the reports which may require further action.

The report issued on the 30 March 2011 was a **red** report with 36% of expected controls operating effectively, 5% substantially operating, 43% partially in place with a further 16% not operating.

Follow up has established that it is now an **Amber** report with 66% of expected controls now operating effectively, 4% substantially operating, and a further 28% partially in place (it has been assumed that the controls that were originally operating are still operating effectively during follow up and these have not been re-tested). The 30% of controls partially and not operating reflect the 12 recommendations yet to be fully implemented.

The level of implementation made to date is not acceptable due to the 12 recommendations which have not been fully implemented, in accordance with the original action plan received, these have now exceeded the implementation dates.

As an Amber assurance rating has now been given there will not be a further follow up by Internal Audit, however management should ensure that they monitor the progress of the 12 recommendations still to be fully implemented.

Risk Ranking	Implemented	Part Implemented / In Progress	Planned	Not Implemented / Planned	Percentage of Implementation
H	13	6		1	59%
M	7	4		1	34%
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