

Recommendations

10. We have given each recommendation a risk rating and agreed what action management will need to take. We will follow up these recommendations during next year's audit.

Priority 1	Priority 2	Priority 3
Issues that are fundamental and material to your overall arrangements for managing grants and returns or compliance with scheme requirements. We believe these issues might mean that you do not meet a grant scheme requirement or reduce (mitigate) a risk.	Issues that have an important effect on your arrangements for managing grants and returns or complying with scheme requirements, but do not need immediate action. You may still meet scheme requirements in full or in part or reduce (mitigate) a risk adequately but the weakness remains in the system.	Issues that would, if corrected, improve your arrangements for managing grants and returns or compliance with scheme requirements in general, but are not vital to the overall system. These are generally issues of best practice that we feel would benefit you if you introduced them.

Issue	Implication	Recommendation	Priority	Comment	Responsible officer and target date
<p>There were instances where claims were not prepared correctly:</p> <ul style="list-style-type: none"> • arithmetic errors, • cell entries not complying with instructions; • claim does not have an original signature; and • specific claim requirements not met, in this case regarding concessionary fares, NNDR and Housing Subsidy. 	<p>□ Claims may be qualified or amended.</p>	<p>R1 Claim forms are correctly completed for each grant.</p>	<p>[2]</p>	<p>These issues should not occur, claims will be checked more thoroughly by Accountants in the relevant team with a final overview by the Finance Manager - Operations</p>	<p>Finance Manager – Operations to reinforce with Accountants and other officers July 2015</p>

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<p>Lack of supporting evidence to support the claim for funding:</p> <ul style="list-style-type: none"> • there was no evidence to support the apportionment of a department's time for the substance misuse claim; • invoices from a supplier for consultancy fees were apportioned to the Flying Start Capital claim but there was no firm basis for making the apportionment; and • pooled budget agreements need to be registered with the Welsh Government. 	<p>□ Lack of audit trail for public monies.</p>	<p>R2 The Authority should establish systems and controls to ensure that the claim is fully supported by source documentation.</p>	<p>[2]</p>	<p>All claims to be reviewed by Accountant in relevant team to ensure that source documentation is included and basis of apportionment is evidenced clearly.</p> <p>Service Officer & Head of Service responsible for individual grant claim will be notified of issues.</p> <p>All outstanding Pooled Budgets have been completed and submitted for Audit .</p>	<p>Finance Manager – Operations July 2015</p> <p>3rd July 2015</p>

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<p>Unapproved or ineligible expenditure included, and in this case:</p> <ul style="list-style-type: none"> the Housing Subsidy claim included interest payable initially computed on the wrong basis and was amended, and the entry for debt management expenses did not agree with supporting records; the School Effectiveness Grant included £11,910 of expenditure not supported by accounting records; and there were items of expenditure included on the Flying Start claim that did not have supporting evidence and the claim was reduced. 	<p>□ The Authority has not complied with the terms and conditions of grant.</p>	<p>R3 Only eligible expenditure, and which is within the approval, should be included on the claim. Welsh Government advice should be sought prior to claim completion if further approvals are need.</p>	<p>[1]</p>	<p>Reinforcement of grant requirements and recommendations identified within this report with Accountants and Service officers.</p>	<p>Finance Manger – Operations July 2015</p>

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<p>Lack of monitoring of third parties:</p> <p>□ The process between the Council and third parties to ensure grant has been used for the purposes intended has not worked well. This remains evident from the Families First, Flying Start and Substance misuse returns though improved process are being established.</p>	<ul style="list-style-type: none"> • Claims may be qualified. • Grant may be reclaimed by the Welsh Government. 	<p>R4 The Authority must have adequate procedures in place to satisfy itself, its auditor and the grant-paying body that only eligible expenditure incurred by third parties is included in the claim. The Authority should revisit its procedures for doing so.</p>	<p>[1]</p>	<p>This issue has been raised on previous occasions for these specific grants, requirements have been reinforced with service officers. Issue will be raised with Heads of Service and Strategic Director.</p>	<p>Finance Manager – Operations July 2015</p>

