



Certification of Grants and Returns 2013-14

Flintshire County Council

Audit year: 2013-14

Issued: April 2015

Document reference: 310A2015

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Summary

1. Under Paragraph 20 of Schedule 8 to the Government of Wales Act 2006 the Auditor General shall, if required by a local government or other grant-receiving body, make arrangements for certifying claims and returns (referred to as grant claims, hereafter).
2. We undertook our work with the aim of certifying individual claims and to answer the question:
'Does Flintshire County Council (the Council) have adequate arrangements in place to ensure the production of co-ordinated, accurate, timely and properly documented grant claims?'
3. We have completed the audit and conclude that while the Council had generally adequate arrangements in place for the production and submission of its 2013-14 grant claims, there is scope for improvement and further embedding of previously adopted arrangements. We are continuing to work with the Council to make these improvements for 2014-15. Our conclusion for 2013-14 is based on the following overall findings:
 - fifty-three per cent of the 2013-14 claims were qualified compared with 45% in 2012-13. A further 26% of claims were also subject to amendment, although not qualified (19 per cent in 2012-13);
 - there have been a number of new qualification issues raised in 2013-14 when compared within 2012-13; and
 - whilst the Council has previously implemented the use of a 'Grant Completion Checklist', we found that it was not being consistently used or completed correctly.
4. For 2013-14 we certified 19 grant claims with a value of £183 million (in 2012-13 there were 31 claims with a value of £190 million). The reduction in claims certified primarily relates to the reduction in the number of Communities First schemes from nine in 2012-13 to two in 2013-14.
5. The Council submitted 11 of its 2013-14 by the required deadline, whilst the remaining eight claims were late. We can confirm that we have certified all of the claims, at a total audit cost of £96,432. Overall, the audits resulted in a reduction of £223,649 being claimable by the Council in respect of 2013-14, although £199,911 relates to a timing issue upon the receipt of grant income and did not affect the actual amount due to the Council.
6. 1:2 of the claims were qualified which is above the Welsh average of 1:4 for 2013-14.

Headlines

Introduction and background

This report summarises the results of work on the certification of the Council's 2013-14 grant claims and returns

- As appointed auditors of the Council, we are asked on behalf of the Auditor General, to certify grant claims made by the Council.
- For 2013-14 we certified 19 grants with a total value of £183 million.
- At the start of our grant audit work for 2013-14, we met with the grant co-ordinator and key financial officers (having the responsibility of grant claim preparation) and agreed our proposed approach for completing the grant work. As part of the arrangements it was agreed that a Grant Checklist would be included on each grant claim file. The Grant Checklist highlighted the key areas the Wales Audit Office would be reviewing whilst performing grant auditor certification. However, completion of the checklist was inconsistent.
- In addition to the formal audit certificate and any qualification letters, we also issued informal Grant Feedback Memorandums to the officers who compile the grant claims, which aim to highlight issues identified in conducting the audit and make recommendations for improvement. A total of 14 memorandums were issued during the year.
- We have produced this report so that we can provide feedback collectively to those officers having the responsibility for grant management so that we can work together to identify further improvements which can be made to improve the processes.
- We have recently held a post project learning session with the grants coordinator to discuss how the recommendations made in this report can be addressed in future, including some changes to processes and additional training events.

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Timely receipt of claims

- Our analysis shows that 58% of grants received during the year were received by the Council's deadline. Of the eight submitted late, two were the Communities First claims. The audit submission deadline was 31 July 2014, with an audited claim submission of 31 December 2014. These claims were not received by us until 14 October 2014.
- In future, the Council should ensure that all grant claims are submitted by the deadlines and, importantly, that replies to audit queries are typically provided within no more than

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	<p>two working days. We acknowledge that audit queries that relate to third parties' expenditure are likely to sometimes take longer to address. But it is imperative that queries are answered in a timely manner in order for the auditor certification deadline to be met.</p> <ul style="list-style-type: none"> • We know that the Council is working to improve its Grants database for 2014-15, in order to be aware of when claims are due for audit, which can then be managed by the Grants co-ordinator. 	
<p>Certification results</p>	<p>We issued unqualified certificates for nine grant claims but qualifications were necessary in 10 cases (53%)</p> <ul style="list-style-type: none"> • The reasons for qualifying the grants can be grouped into ongoing issues which have been reported in previous financial years and issues which have come to our attention (for the first time) during our grant work carried out in 2013-14: <ul style="list-style-type: none"> Qualification issues reported in previous financial years <ul style="list-style-type: none"> – Some claims forms were not completed in accordance with grant terms and conditions; – there was a lack of supporting evidence for a number of claims; – approval was not sought (from the grant awarding body) for changes to the claim; – there were instances of ineligible expenditure; – the maintenance of asset registers (in accordance with terms and conditions) was weak; – in some instances the Council was unable to fully reconcile the claim to the ledger; and – Service Level Agreements (SLAs), with third parties, were not always signed. Qualification issues reported for the first time in 2013-14 <ul style="list-style-type: none"> – There was a lack of monitoring of third party expenditure; – approval for virements between approved claim headings was not sought from the grant awarding body; – incorrect processing of pension adjustments; – non-compliance with the Council's standing orders for contracts. 	<p>Pages 8 - 27</p>

Audit adjustments

Adjustments were necessary to 13 of the Council's grants and returns as a result of our auditor certification work this year

- There were three significant adjustments (ie over £10,000). An adjustment of £11,730 (increase) was made to the Welsh in Education claim, £15,686 (decrease) was made on the Flying Start Revenue claim, and £200,011 (decrease) was made to the Free Concessionary Travel claim.
- The net adjustment of the 13 grants is a reduction of £223,649 in funds payable to the Council (although £199,911 was due to a timing issue and did not affect the overall entitlement). Excluding the three significant adjustments, the net adjustment of the other 10 grants is a decrease of £19,682 to the Council.

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The Council's arrangements

The Council has generally adequate arrangements for preparing its grants and returns and supporting our certification work but improvements are required and previously adopted processes need to be better embedded

- In paragraph 10 we have set out a number of recommendations which, if addressed, would eliminate the key issues identified as a result of our grants certification work.
- In particular, the Council needs to ensure that:
 - Grant Checklists are completed correctly to ensure that the relevant audit evidence is available to both allow the responsible finance officer to certify the claim on behalf of the Council and for audit purposes;
 - the claims are completed in accordance with the terms and conditions of the grant and do not contain ineligible expenditure;
 - appropriate monitoring arrangements are in place for expenditure incurred by partners and third parties to ensure that those organisations are complying with grant scheme rules and keeping adequate records of expenditure; and
 - relevant staff are aware of and comply with the Council's contract procedure rules when letting contracts.
- The Council should ensure that issues identified in both qualification letters and grants feedback memos are addressed to eliminate their re-occurrence.

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Fees

Our overall fee for certification of grants and returns for 2013-14 is £96,432

Summary of certification work outcomes

7. Detailed on the following page is a summary of the key outcomes from our certification work on the Council's 2013-14 grants and returns, showing where either audit amendments were made as a result of our work or where we had to qualify our audit certificate.
8. A qualification means that issues were identified concerning the Council's compliance with a scheme's requirements that could not be resolved through adjustment. In these circumstances, it is likely that the relevant grant-paying body will require further information from the Council to satisfy itself that the full amounts of grant claimed are appropriate.

Key information for 2013-14

Overall, we certified 19 grants and returns (31 in 2012-13):

- 4 were unqualified with no amendment (14 in 2012-13)
- 5 were unqualified but required some amendment to the final figures (6 in 2012-13)
- 2 required a qualification to our audit certificate (7 in 2012-13)
- 8 were qualified and required some amendment to the final figures (7 in 2012-13)

Ref – Para 10	Grants and returns	Claim due	Claim received	Late	Qualified certificate	Adjustment (>£10,000)	Adjustment (<£10,000)	Unqualified certificate	2012-13 Result
1	Housing Benefits Subsidy	30-04-14	30-04-14	No	✓		£-2,881		Qualified with amendment
2	Schools Effectiveness and Pupil Deprivation Grant	30-09-14	19-09-14	No	✓				Qualified with amendment
	Transition from SBIG	30-09-14	30-09-14	No				✓	Unqualified
3	14-19 Learning Pathways	30-09-14	25-09-14	No	✓		£-1,000		Qualified with amendment
	Welsh Learning Disability Strategy	N/a	N/a	N/a				No claim in 2013-14	Amended
4	Welsh in Education	30-09-14	25-09-14	No		£11,730		✓	Qualified
5	North East Wales Town Centre Improvement Regeneration Project	21-01-15	27-01-15	Yes	✓		£-249		Unqualified
6	Flying Start (Revenue)	30-09-14	29-10-14	Yes	✓	£-15,686			Amended
7	Flying Start (Capital)	30-09-14	30-09-14	No			Nil effect	✓	No claim in 2012-13

8	Families First	30-09-14	02-10-14	Yes			£-5,862	✓	Unqualified
	Pooled Budget Memorandum Account	10-05-14	09-05-14	No				✓	Unqualified
9	HRA Subsidy	31-08-14	20-09-14	Yes			£-130	✓	Amended
	Substance Misuse Action Fund	N/a	N/a	N/a				No claim in 2013-14	Qualified
10	National Non-domestic Rates Return	30-05-14	30-05-14	No	✓		Nil effect		Qualified with amendment
	Sustainable Waste Management	30-09-14	29-09-14	No				✓	Unqualified
11	Teachers' Pension Return	30-06-14	30-06-14	No	✓		Nil effect		Unqualified
12	Communities First – Flint West	31-07-14	14-10-14	Yes	✓		£-5,517		New scheme
13	Communities First – Flint East	31-07-14	14-10-14	Yes	✓		£-4,043		New scheme
	Communities First – Central Team	N/a	N/a	N/a				No claim in 2013-14	Qualified
	Communities First – Rural North	N/a	N/a	N/a				No claim in 2013-14	Qualified with amendment

Communities First – Rural North Exit Strategy	N/a	N/a	N/a				No claim in 2013-14	Qualified
Communities First – Higher Shotton	N/a	N/a	N/a				No claim in 2013-14	Qualified with amendment
Communities First – Holywell Neighbourhoods	N/a	N/a	N/a				No claim in 2013-14	Qualified with amendment
Communities First – Bryn Gwalia (Non-core)	N/a	N/a	N/a				No claim in 2013-14	Amended
Communities First – Bryn Gwalia (Core)	N/a	N/a	N/a				No claim in 2013-14	Unqualified
Communities First - Castle Ward (Non-core)	N/a	N/a	N/a				No claim in 2013-14	Amended
Communities First – Castle Ward (Core)	N/a	N/a	N/a				No claim in 2013-14	Qualified
Town Improvement Warren Bank	N/a	N/a	N/a				No claim in 2013-14	Unqualified
Town Improvement Manor Lane	N/a	N/a	N/a				No claim in 2013-14	Qualified
Social Care Workforce Development Programme	27-09-14	30-09-14	Yes				✓	Unqualified

14	Regional Transport Consortia Grant	30-09-14	22-09-14	No	✓					Unqualified
15	Free Concessionary Travel	30-09-14	04-11-14	Yes		£-200,011		✓		Amended
Total					10	£-203,967	£-19,682	9		

9. This table summarises the key issues behind each of the adjustments or qualifications that were identified on pages 10 to 13.

Ref	Summary observations	Amendment
1	<p>Housing Benefits Subsidy</p> <ul style="list-style-type: none"> • The claim was amended for a number of errors identified from testing, and this decreased the amount payable by £2,881. • The claim was qualified for the following reasons: <ol style="list-style-type: none"> a. Rent rebates (non-HRA): <ul style="list-style-type: none"> - misclassification of tenancy type by the subsidy system; and - incorrect BMRA rent applied within a benefit calculation. b. Rent rebates (HRA): incorrect tax credit applied within the assessment of benefit, which led to additional testing and extrapolation of the errors identified. c. Rent allowances: <ul style="list-style-type: none"> - errors within earnings included within benefit calculations, which led to additional testing and extrapolation of the errors identified; - misclassification of LHA benefit as an eligible overpayment; - a registered social landlord rent was identified as not having been increased in line with the updated rates received from the landlord; and - tax credit applied within the assessment of benefit, which led to additional testing and extrapolation of the errors identified. 	£-2,881
2	<p>Schools Effectiveness and Pupil Deprivation Grant</p> <ul style="list-style-type: none"> • The claim was qualified for the following reasons: <ul style="list-style-type: none"> – A full ledger reconciliation of expenditure to the claim has not been completed. – Expenditure is included within generic education codes. As such, we could not conclude that duplication with other claims had been avoided. – Sufficient evidence to support that time attributed to apportioned salary costs charged to scheme activities was not provided. – There was a lack of evidence to support eligibility of some expenditure items. 	£Nil

Ref	Summary observations	Amendment
	<ul style="list-style-type: none"> - One item included within the claim was outside of the claim period. - One item included within the claim included recoverable VAT. - One item included within the claim was for a payment in advance. - A schedule compiling expenditure incurred by schools from their returns to the Council was provided to us 04/12/14 and therefore the figures included on the claim form were not supported when signed by the Chief Finance Officer (CFO). 	
3	<p>14-19 Learning Pathways</p> <ul style="list-style-type: none"> • The claim was amended by £-999.63 due to over-claimed supply costs. • The claim was qualified for the following reasons: <ul style="list-style-type: none"> - supporting information for costs incurred by Coleg Cambria was not available; and - timesheets to support apportioned staff costs and supply costs were not available. • Other issues raised within the audit: The CFO signs the statement of expenditure which states – ‘<i>Systems and controls are in place at the Council to ensure that the grant is used for the purposes for which it is given whether spent directly, passed to schools or third parties.</i>’ The audit identified that the supporting prime documentation for costs reimbursed to do not enable the Council to check that the costs have been incurred, and are in line with the grant, in particular the cost of supply cover. 	£-999.63
4	<p>Welsh in Education</p> <ul style="list-style-type: none"> • The claim was amended for the following reasons: <ul style="list-style-type: none"> - An amendment was required to Column F of the claim which was shown as a credit of £5,865 rather than a debit. - An amendment was required to the administration recharge, from £343,333 to £341,660 as this had been over-claimed. This did not affect the amount claimable by the Council. 	£11,730

Ref	Summary observations	Amendment
5	<p>North East Wales Town Centre Improvement Regeneration Project</p> <ul style="list-style-type: none"> • The claim was amended as an amount of reclaimable VAT had been included within eligible expenditure, totalling £249.14. • Other issues raised within the audit: <ul style="list-style-type: none"> – No monitoring of partner transactions had been undertaken, and as such, there were no systems in place to ensure defrayal of these transactions. Additional testing of partner expenditure was undertaken as this was classed as a control environment failure. 	£-249
6	<p>Flying Start (Revenue)</p> <ul style="list-style-type: none"> • The claim was amended for the following reasons: <ul style="list-style-type: none"> – £211 of costs were removed as they were not based on actual costs and therefore not eligible. – The expenditure was increased by £420 as an internal invoice had been incorrectly totaled. However, this has not been included in the total invoiced amount. The Council therefore under claimed. – Unspent amounts at year-end were identified within partner expenditure of £10,150.89. This was ineligible as costs must be incurred by the end of the claim period. – VAT totalling £634.66 was included which is not eligible expenditure. – One item related to a cost of £106.80 incurred within 2014/15 was not eligible for the 2013/14 claim. – One item costing £5000 related to capital expenditure (a fence) which was not included in Flying Start Capital as that scheme had been utilised in full. Capital items are not eligible for funding from the Flying Start Revenue scheme and therefore an adjustment was made to exclude this item. • The claim was qualified for the following reasons: <ul style="list-style-type: none"> – Supporting evidence for third party expenditure was not provided for a number of items. – The process and analysis of information in the setting of the rate reimbursed to childcare providers for providing Flying Start places was not evidenced. – No Service Level Agreements (SLA's) are in place between with Council and any partner or third party involved in the Flying Start scheme, for service provision. 	£-15,686

Ref	Summary observations	Amendment
	<ul style="list-style-type: none"> - The eligibility of expenditure for a number of items could not be determined. - Salary appointments in two cases were not supported by appropriate evidence. - One item of payroll costs sample tested could not be agreed to the payroll system. - Virements in budget headings included on the claim form were required to be approved by WG if over 10% tolerance limit. This approval was not sought by the Council. 	
	<ul style="list-style-type: none"> • Other issues raised within the audit: <ul style="list-style-type: none"> - At the start of the audit there was no overall reconciliation to the ledger provided, although this is one of the requirements on the grant completion checklist. 	
7	<p>Flying Start (Capital)</p> <ul style="list-style-type: none"> • The claim form was amended as the pre-printed allocations for two schemes had been incorrectly populated by WG. Confirmation was received from them on the correct values and was therefore amended. 	Nil effect
8	<p>Families First</p> <ul style="list-style-type: none"> • The claim was amended as, in total, seven transactions did not relate to 2013-14. Five transactions, totalling £3,411.49 related to 2012-13 travel claims paid in April 2014, and one to a March 2013 invoice which was paid in May 2013. One transaction related to a payment for training that occurred in April 2014. The total value of the amendment was £5,861.49. • Other issues raised within the audit: <ul style="list-style-type: none"> - Whilst no new contracts have been issued in 2013-14, contracts were reviewed to support the above testing. It was evidenced that the contracts held by both Families First and Procurement had not been signed by two authorised officers from the Council and therefore do not comply with the standing orders. We would recommend that Contract Procedure Rules are adhered to, and compliance with these would ensure that all new contracts are properly signed. 	£-5,862

Ref	Summary observations	Amendment
9	<p>HRA Subsidy</p> <ul style="list-style-type: none"> • Cell 2500 was decreased by £130 as this was not the correct figure per the Housing Benefits system. • Other issues raised within the audit: <ul style="list-style-type: none"> – The initial form submitted was an incorrect version of the 13-04(W) form, as the new cell 3000 was not on the form. A further incorrect version was received by the Wales Audit Office before the correct version was received. 	£-130
10	<p>National Non-Domestic Rates Return</p> <ul style="list-style-type: none"> • The return was amended within lines 8.5 and 8.6, as two properties were misclassified as post offices. The amendment had no overall effect on the return. • The return was qualified as the entry in line 27, Contributions to the Pool, did not reconcile to the Council's working papers, by a value of £458. 	Nil effect
11	<p>Teachers' Pension Return</p> <ul style="list-style-type: none"> • The initial completed return for Teachers' pension received by audit was form EOYCa. This should have been form EOYCb. There was some confusion this year as Teachers' Pensions incorrectly advised the Council that this was correct. The Council submitted a replacement form to us for audit, then being the correct version. • On the supporting working papers there was a manual error made when recording the contributions for August 2013. The employers and employees contributions were input the wrong way round, resulting in an understatement of Employers' contributions of £9,116.19 and an overstatement of Employers' contributions of £9,116.19. Whilst this had no overall effect on the claim it resulted in an amendment to the claim. • The claim was qualified for the following reasons: <ul style="list-style-type: none"> – For one item tested the employee contribution rate was set at 6.4% when it should have been at a rate of 8.8%. – Two items tested related to employees that had transferred from a different Council. The employees were incorrectly put on Local Government conditions rather than Teachers' conditions. – One item tested found that pension had not been paid on back pay awarded. This was a manual error. 	Nil effect

Ref	Summary observations	Amendment
	<ul style="list-style-type: none"> - A further system error (which was being queried with Midland, the system provider) resulted in an incorrect contribution rate being applied to an element of pay. - The Council had not reviewed the 2013-14 information provided by the two external payroll providers, which relate to the payroll administration of Derwen Primary School and Connahs Quay High School. 	
12	<p>Communities First – Flint West</p> <ul style="list-style-type: none"> • The claim was amended for the following reasons: <ul style="list-style-type: none"> - There was no accurate reconciliation provided at the commencement of the audit, nor was it provided until 26/11/14. Completion of this task found that the claim had been understated by £188.40. - A review of the transactions noted that no reserves had been completed for staff travel costs that had been claimed in April 2014 but related to the 2013/14 claim. Therefore the claim was understated by £358.41. - Costs totalling £1,599.23 had been included that did not relate to the 2013/14 period and were therefore removed. - Costs above an approved amount provided to a partner, had been included within claimed expenditure. The scheme's share of this was £45.07. This was ineligible and removed. - Expenditure was incurred on a SLA not approved at the time, and as such was ineligible expenditure. Therefore the scheme over claimed £3,825. - An item of £100 was not supported by any evidence and this was removed from the claim. - An item of expenditure relating to the hire of a smoothie bike from West Flintshire Community Enterprises Ltd was tested. However, the smoothie Bike had not been transferred to WFCE and was incorrectly deleted off the Council's asset register. The claim was decreased by the £200 paid for hire charges. - As part of the bid, an apportionment of management time was included. This was an estimate completed for the bidding process. However, this was not updated for the actual cost prior to inclusion of this item in the claim. The amendment for this was £21.35 as the Council had under-claimed. • The claim was qualified for the following reasons: 	£-5,517

Ref	Summary observations	Amendment
	<ul style="list-style-type: none"> - As per the Council's Contract Procedure Rules (CPRs), contracts with a value of £25,001 and above, where no Corporate Purchasing Arrangement is in use, require a minimum of four tenders. For three contracts/ service level agreements included within our testing, there was no evidence that the services had gone out to tender. No exemption reports were completed for these contracts. - In addition, the Council's CPRs state that contracts valued between £25,000-£250,000 have to be signed by at least two authorised officers. This requirement would relate to all three contracts tested. The contracts had only been signed by one officer. - For contracts valued at less than £10,000, the Council's CPRs state that the Responsible Officer, where practical, must obtain a minimum of one quotation. The goods and services procured from West Flintshire Community Enterprises, did not comply with these requirements. • Other issues raised within the audit: <ul style="list-style-type: none"> - A Grant Completion Checklist was provided with the signed claim. However, this was not fully completed and therefore there were missing working papers. - A draft partnership agreement has been drawn up between WFCE and CF. However the information in the agreement does not comply with the Council's contract procedures rules. 	
13	<p>Communities First – Flint East</p> <ul style="list-style-type: none"> - The claim was amended for the following reasons: - There was no accurate reconciliation provided at the commencement of the audit, nor was it provided until 26/11/14. Completion of this task found that the claim had been understated by £202.66. - A review of the transactions noted that no reserves had been completed for staff travel costs that had been claimed in April 2014 but related to the 2013/14 claim. Therefore the claim was understated by £167.88. - Costs totalling £565.29 had been included that did not relate to the 2013/14 period and were therefore removed. - Costs above an approved amount provided to a partner, had been included within claimed expenditure. The scheme's share of this was £45.07. This was ineligible and removed. - Expenditure was incurred on a SLA not approved at the time, and as such was ineligible expenditure. Therefore the scheme over claimed £3,825. 	£-4,043

Ref	Summary observations	Amendment
	<ul style="list-style-type: none"> – As part of the bid an apportionment of management time was included. This was an estimate completed for the bidding process. However this was not updated for actuals prior to inclusion of this cost in the claim. The amendment for this was an amendment of £21.35 as the Council had under-claimed. • The claim was qualified for the following reasons: <ul style="list-style-type: none"> – As per the Council’s Contract Procedure Rules (CPRs), contracts with a value of £25,001 and above, where no Corporate Purchasing Arrangement is in use, require a minimum of four tenders. For three contracts/ service level agreements included within our testing, there was no evidence that the services have gone out to tender. No exemption reports were completed for these contracts. – In addition, the Council’s CPRs state that contracts valued between £25,000-£250,000 have to be signed by at least two authorised officers. This requirement would relate to all three contracts tested. The contracts had only been signed by one officer. • Other issues raised within the audit: <ul style="list-style-type: none"> – A Grant Completion Checklist was provided with the signed claim. However this was not fully completed and therefore there were missing working papers. 	
14	<p>Regional Transport Consortia Grant</p> <ul style="list-style-type: none"> • The claim was qualified for the following reasons: <ul style="list-style-type: none"> – One item tested related to a balancing figure of £9,210, which was the difference between the amount already claimed and amount spent to date and as such, does not relate to a specific item that could be evidenced. – A value of £8,373 related to time spent on engineering works by internal Council staff. Timesheets have not been provided to support the hours attributable to the cost which has been charged to the scheme. – One item tested included an amount, £4,264 unspent at year-end and as such was not eligible. – One item tested related to £720 included for publicity purposes. Evidence to support that this had been spent on publicity purposes was not provided. – One item tested totalled £2,100 but of this amount, only £309 was supported by invoices. • Other issues raised within the audit: <ul style="list-style-type: none"> – Two minor errors were identified that were not included in the qualification letter. These errors were not 	

Ref	Summary observations	Amendment
	<p>amended for due to the claim form being completed in £'000 and would therefore have no effect on the claim itself.</p> <ul style="list-style-type: none"> - The grant completion checklist has been completed by the grants officer, but there was no evidence of separate review of this. Review by a senior officer prior to submission of the claim provides assurance to the CFO that the certificate is well supported. 	
15	<p>Free Concessionary Travel</p> <ul style="list-style-type: none"> • The claim was amended for the following reasons: <ul style="list-style-type: none"> - The claim form was amended as section 4d of the original claim form (grant paid to date for Q4) was incorrectly completed - it included only the Q4 January - February payment, and not the Q4 March payment also. Both Q4 payments should have been included as they had been received at the time the return was signed. The claim was amended to correct this. - The original claim had an arithmetical error on section 4 which resulted in the claim being overstated by £100. The claim has subsequently been amended to correct this. 	£-200,011
	Total effect of amendments to the Council	£-223,649

Recommendations

10. We make the following recommendations to improve the Council's Grant arrangements. We will follow up these recommendations during next year's audit.

Recommendations	
R1	The Council should ensure that claim forms are completed by the required deadlines and in accordance with the relevant grant terms and conditions.
R2	The Council should strengthen its arrangements, including completion of the Grants Checklist and its quality assurance processes, to ensure that each claim's financial transactions and other information are fully supported by source prime documents (such as ledger prints, invoices, calculation of apportionments, timesheets etc) and appropriate reconciliations between the financial ledger and the claim.
R3	The Council needs to ensure that it obtains prior approval for changes to the original plans/expenditure profiles from the grant awarding body, including virements, before the claim is authorised by the Council's certifying officer and submitted for audit.
R4	The Council needs to ensure that only eligible expenditure, including that incurred within the claim period, is included within the claim. Advice should be sought from the grant awarding body prior to the claim completion for any concerns about the expenditure eligibility and evidence of that correspondence provided with the claim.
R5	The Council should ensure that monitoring procedures are put in place to ensure that expenditure incurred by third parties and partners is eligible, and the procedures should support the Chief Finance Officer certification.
R6	Agreed arrangements and or delivery plans between the Council and third parties and partners (for the delivery of grant funded work) should be supported by signed Service Level Agreements (SLAs).
R7	The Council should ensure that internal standing orders are complied with including Contract Procedure Rules.

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