

INTERNAL AUDIT**Background**

The annual Audit Plan is agreed by the Overview and Scrutiny Committee.

SCORING

RED	<p>Taking account of the issues identified, the Authority cannot take assurance that the controls upon which the organisation relies to manage this risk are suitably designed, consistently applied or effective.</p> <p>Urgent action is needed to strengthen the control framework to manage the identified risk(s).</p>
AMBER/ RED	<p>Taking account of the issues identified, the Authority can take partial assurance that the controls to manage this risk are suitably designed and consistently applied. Action is needed to strengthen the control framework to manage the identified risk(s).</p>
AMBER/ GREEN	<p>Taking account of the issues identified, the Authority can take reasonable assurance that the controls in place to manage this risk are suitably designed and consistently applied.</p> <p>However, we have identified issues that need to be addressed in order to ensure that the control framework is effective in managing the identified risk(s).</p>
GREEN	<p>Taking account of the issues identified, the Authority can take substantial assurance that the controls upon which the organisation relies to manage the identified risk(s) are suitably designed, consistently applied and operating effectively.</p>

Headline Information

During the last quarter four internal audits have been completed:

Name of Audit	Score
GDPR Governance (Advisory only)	Not scored
Governance Arrangements for Property Investment Company (Advisory only)	Not scored
Commercial Governance Framework (Advisory only)	Not scored
Grants Funding	Amber /Red

Recommendations/observations with a high priority

Grants Funding:

Core Funding

A sample of core funding grants that were awarded were reviewed. It was noted that a standard assessment process was used in evaluating these applications. A summary assessment sheet is completed for each application, with the Finance team also completing a financial evaluation and making a recommendation as to whether funding should be awarded.

The audit confirmed for each award sampled that the outcome had been communicated to the applicants by letter or email, with these stating the conditions attached to the award. It was further noted that the Council has recently introduced grant agreement forms that are to be sent out to successful applicants for completion going forward.

The audit found that for one of the sampled core funding grants, the Council's Finance team had made the recommendation not to award funding as part of their financial assessment, but that funding was still awarded. It was noted that Finance's recommendation is evaluated in the context of the wider assessment of applications, and that an award can still be approved even if Finance give a negative view.

However, through reviewing the officer comments made on the summary assessment sheet and the financial assessment form, the auditors were unable to see a clear record of the reasoning behind why this application was awarded funding. There is a risk that the details of the assessment process carried out by the Council, including the reasoning behind the final decisions made are not being clearly recorded.

Management actions

The Council will ensure that assessment sheets completed when evaluating Core Funding applications include a clear summary, noting the final verdict and the reasons for the decision. This should include, where relevant, the reasoning for any award made which goes against the recommendation provided by the Finance team.

eMembers room information

Copies of the individual audit reports are available on the eMembers portal.