

DEPARTMENT Communities	AUDIT REVIEW Supporting People Grant 2014/2015	AUDIT REF 3315005
PLANNED DAYS 20	ACTUAL DAYS 25	Frequency of Audit Annual

Background

The Supporting People Programme began in 2003. Its purpose is to provide housing related support to help vulnerable people to live as independently as possible. Initially it was administered jointly between the Welsh Government and Local Authorities. Subsequently the Supporting People Programme was subject to an independent review which recommended the introduction of a single Supporting People funding stream, which meant from 1st August 2012 Local Authorities were solely responsible for administering and delivering the scheme. Whilst it is appreciated that the Communities Department (the Department) inherited a number of schemes from Welsh Government to manage, it meant that arrangements were not in place for these schemes and the Department would need time to implement our procedures on those which were previously administered by Welsh Government. This review and its findings do in fact relate to both Carmarthenshire's schemes as well as the inherited ones. Internal Audit has been involved in this claim's audit for the past three years and has identified significant weaknesses and issues which have been reported to management, and an action plan agreed to be delivered by the Department, along with regular progress reports to be presented to the Audit Committee.

The total funding in relation to Supporting People received from Welsh Government for the period 2014/2015 was £6.8m. Welsh Government requires a certificate to be completed and signed by the s151 officer. Internal Audit reviews the arrangements and procedures in place to provide the s151 with an opinion on the arrangements in place. The final audited and signed certificate was sent to Welsh Government on 2nd October 2015.

Scope

To enable the s151 officer to sign the Supporting People grant certificate our review covered the controls and procedures in place for the management and administration of the Supporting People grant to:

- assess the extent to which the Authority's Financial Procedure Rules and
- the grant terms and conditions are being fully complied with.

The Terms and Conditions laid down by Welsh Government specify that an audit certificate is required to be provided stating that *'the project's aims and objectives and the grant offer had been considered and that the entries are fairly stated and the expenditure has been properly incurred in accordance with the offer of grant.'*

General Opinion

The review has been assessed as being of high risk to the Authority due to issues identified

during the previous Internal Audit review and the fact that the grant conditions specify the requirement that an audit certificate be provided. Whilst it is acknowledged that a programme has been formulated to address all the issues identified, the review will remain as high risk until these weaknesses relating to the management and administration of the grant are addressed.

Summary of Results

As reported last year there were 3 fundamental weaknesses identified again this year in relation to the following areas:

- **the Authority's Financial Procedure Rules**
 - Documentation was not always available to support all payments made to providers in order to demonstrate that the grant had been spent in accordance with the terms and conditions of the grant
 - Some contracts specified that payments would be made monthly in advance although there was no evidence available that authorisation to make such advance payments had been received from the Director of Resources, although Internal Audit have been advised that this will be addressed in the Interim Contracts issued
- **Contract Procedure Rule**
 - Progress has been made in respect of in-house Service Level Agreements. Majority have been put in place although our testing did identify 3 instances where in-house service provision was not supported by a signed agreement.
 - Whilst there is evidence that some monitoring is now being undertaken to ensure that providers are only getting paid the values specified in the contracts (where contracts are in place), the spreadsheet maintained to record such checks is of limited assurance and needs to be developed further so as to demonstrate an adequate control of payments to providers
- **Monitoring arrangements**
 - Currently eligibility of participants is not routinely undertaken. As a result it was not possible to ensure that all payments had only been made in respect of eligible Participants
 - Whilst monthly monitoring returns are completed by providers there is no evidence available that overall monitoring of the progress of the grant including total project outputs against targets, project finances, as required by the Grants Manual, has been undertaken on a regular basis. However, assurance has been provided that such monitoring is due to commence shortly
 - Monthly monitoring returns are completed by providers based on information required by Welsh Government. Whilst this information is collated by Supporting People staff it is not checked to ensure that information being provided to Welsh Government is accurate

These issues have been discussed with Management who have made some progress against an agreed action plan and continued assurance has been given that the issues identified are being addressed as a priority.

It is pleasing to acknowledge that an action plan has been formulated to address the issues identified and it is evident that it is being followed. Priority has been given to addressing the contracts and assessing the services needed within Supporting People. Management are aware of the other areas of concern and are now in a position to start addressing these issues too.

RECOMMENDATION

It is crucial that Supporting People Staff remain committed to ensuring improvements continue to be made ultimately resulting in the requirements of the grant terms and conditions as well as the requirements of the Authority’s Project Grants Manual and Financial Procedure Rules being fully complied with.

Failure to fully comply with the requirements of these documents including having adequate supporting documentation available puts the Authority at risk of having grant monies reclaimed or the de-commitment of funds by the funding body as well as putting at risk any future funding applied for by the Authority.

N.B Agenda Item 4 provides the Quarterly Progress Report from the Head of Service responsible for Supporting People.

Target Date – Ongoing

RESPONSIBLE OFFICER – Robin Staines

RECOMMENDATIONS		OVERALL ASSURANCE
Priority 1- Fundamental Weaknesses	3	LOW
Priority 2 – Strengthen Existing Controls		
Priority 3 – Minor Issues		