

Committee: Governance, Audit and Performance Committee

Date:

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Title: Grants Governance Update

Report Author: Elizabeth Brooks, Audit Manager

ebrooks@uttlesford.gov.uk

Summary

1. In Spring 2021, Internal Audit undertook a review at the request of GAP Committee of the governance arrangements for the Council's Grants to Community Organisations. The outcome was subsequently presented to GAP Committee in June 2021, at which the Chair requested an update be provided to November 2021 GAP Committee to outline the progress being made against the recommendations in the report.

Recommendations

2. GAP Committee are requested to note the content of this report

Financial Implications

3. None

Background Papers

4. None.

Impact

- 5.

Communication/Consultation	This report has been discussed with, and noted by, Service Managers and CMT
Community Safety	None
Equalities	None
Health and Safety	None
Human Rights/Legal Implications	None

Sustainability	None
Ward-specific impacts	None
Workforce/Workplace	None

Situation

6. The original audit highlighted several findings, including two high priorities relating to the Council's Grant Policy and Terms and Conditions of Funding. Other medium priority findings related to the eligibility and selection process, monitoring of multiple grant receipts, grant monitoring, and reporting and transparency.
7. While not enough time has elapsed to allow for a formal Internal Audit follow up to independently verify the implementation of the recommendations, the Audit Manager and the Communities Team (Fiona Gardiner, Communities Manager and Sue Hayden, Community Development Officer) have been liaising frequently and the team have provided the following update to Internal Audit:
 - Several of the Council's small and one-off grants are due to be amalgamated together into a proposed Communities Grant. This should improve consistency and transparency across the grants process.
 - In turn, a new central Grants Policy for Communities Grants has been developed and Internal Audit have provided feedback and advice on the content. Once the final version is complete, the Policy will be sent to CMT in December prior to GAP in January for comment, before being present to Cabinet. An EqHIA will also be completed and attached alongside.
 - New terms and conditions of funding are also being developed for the Communities Grant in line with the new Policy, as well as refreshed and revised application forms and confirmation letters to ensure consistency and transparency across the application process. It is intended that this will all be in place by April 2022 to cover all grants for 2022/23 onwards.
 - For the Council's large grants over £50,000 e.g., Voluntary Sector Grants, new Service Level Agreements will be put in place to more formally set out the funding agreement, including roles and responsibilities, service standards/ expectations, performance indicators, monitoring, communication, legal clauses and dispute resolution etc.
 - The Director Finance and Corporate Services is given delegated powers to approve all grants which will be devolved down to the Communities, Health and Well-being Manager in consultation with the Community Development Officer and the Portfolio Holder for Communities ('The Panel') for consistency purposes, except where the application is in the Portfolio Holder's ward, in which case the Portfolio Holder for Finance will fulfil this role.

- A revised programme for monitoring grants is also being developed to ensure consistency and appropriateness of funding levels and this will be in place for all new grants awarded for 2022/23.
 - In addition, a central grants database has been established where all grants administered by the Communities, Health and Well-being Team, including any external funding received, is stored and monitored. The transparency pages on the Council's website have also been updated for 2020/21 and will be updated again for the current financial year in April 2022.
8. Following the implementation of the new Policy and award of grants for 2022/23, Internal Audit will undertake a formal follow up to assess the effectiveness of the revised process to provide independent assurance over the improvement in the control framework. It is anticipated that this will be presented to June 2022 GAP Committee to allow time for grant awards, disbursements and some initial monitoring under the new Policy and process to have been undertaken.

Risk Analysis

9.

Risk	Likelihood	Impact	Mitigating actions
Lack of robust governance arrangements for the governance of grant funding to community organisations may result in financial loss and/or reputational damage.	2	3	Per recommendations in original report.

1 = Little or no risk or impact

2 = Some risk or impact – action may be necessary.

3 = Significant risk or impact – action required

4 = Near certainty of risk occurring, catastrophic effect or failure of project.