

Appendix B - Audit Briefing Paper

INTERNAL AUDIT REVIEW – WARD ACTION SERVICE PLANS (WASP)

BRIEFING PAPER

Introduction

As part of the Internal Audit plan for 2015/16, CW Audit Services has carried out a review regarding the WASP process, which was completed in August 2015. In accordance with an engagement letter agreed with management in June 2015, the review aimed to provide assurance in relation to the risk that the Council fails, or is perceived to fail, to follow a proper, transparent, unbiased and fair process to award WASP funding. The review also considered Neighbourhood Working funding, but this briefing paper addresses WASP specifically to support further consideration on this subject by the Council's Value for Money Scrutiny Committee. It does not constitute a formal Internal Audit report.

The Internal Audit review examined the extent to which the key control objectives recorded below have been met:

- Members are provided with guidance on suitable and unsuitable uses for funding, and on matters such as declarations of conflicts of interest, objectivity/fairness etc which may be relevant to bids under the WASP scheme.
- A clear process for bidding is in place, setting out required information, documentation etc to bidders to support effective decision making
- Arrangements to receive, assess, and decide upon bids and communicate to successful and unsuccessful bidders are transparent, fair and documented including paying due regard to information and documents required from bidders.
- Funds are paid out in accordance with suitable evidence to warrant payment*, and approved decisions upon successful bids, such decisions being in accordance with relevant delegated decision making powers

*eg competitive quotations where required, evidence of expense by the grant recipient where required.

- The Council has assurance that funds are spent by the recipients in accordance with the bid received.

Findings – main themes

The following are the main themes highlighted by our review set out in brief summary form. We have provided detailed findings to management and do not refer to specific projects in this document.

1. Guidance/definition of the scheme

The only specific guidance to members currently available is the "Description of WASPS - 2015" a one page document which lists the aims and mechanisms of WASP Funding. The document does not provide specific guidance on suitable and unsuitable uses for funding, and on matters such as declarations of conflicts of interest, objectivity/fairness etc which may be relevant to bids under the WASPS scheme, neither does it set out a clear process which members - and officers – should follow in relation to making, processing and deciding upon bids or payments relating to applications or completion of funded projects.

Other issues we have noted that we consider need attention in this context include:

- The Council's Contract Procedure rules require one oral quote up to £500 and between £500 -£3000 one written quote. The WASP application form requires two quotes to be submitted which is not in line with the contract procedures.
- Greater clarity regarding best value quotes to accept, and how such quotes are evidenced.
- Greater clarity regarding the use of WASP funds relating to other wards, ie the "Communal Pot" in relation to deadlines, approval and when this can be varied.
- Greater clarity on the requirement for invoices and confirmation of project start/progress/completion to support and evidence the need for payment and delivery of the expected project outcome – on this latter point currently there is often no clear evidence held to show that funded projects have been completed as planned.

We understand that a review of this guidance is planned, and would suggest that it include the issues above, to help ensure clarity and transparency and evidence fair and suitable use of funds.

2. The WASP Panel

Panel meetings which comprise of a mixture of councillors and an external representative are held monthly to consider and approve applications for WASP funding. These meetings are not minuted and although it is expected that councillors on the panel should declare any interest in applications for funding and therefore not vote on areas of declared interests, it cannot be confirmed that such declarations are made or reflected in voting on applications.

The Panel meets in general monthly but on some occasions rather than a meeting, members have communicated their views/votes on applications to officers by email or telephone.

We note that as the Panel does not operate as a formal Committee/sub-Committee it does not have a formal Terms of Reference, which if in place would address matters such as membership, minuting/recording and method of voting and decisions, attendance/quoracy, dealing with any conflicts of interest etc.

We noted that the Panel has not been regularly attended recently by the external representative, and the level and importance of such representation may be a suitable issue to consider at this point.

Review and formalization of these areas would provide greater transparency in a manner consistent with various other decisions the Council takes regarding use of budgeted funds and awards to external recipients and help to protect the interests of officers and members as a result.

3. Procedural review

In line with the areas set out above, procedures followed by officers (and where appropriate members) to comply with the revised guidance suggested would need to be reviewed and strengthened to ensure compliance; for instance, the documentation of Panel meetings and the review and decision upon applications, clearer evidence of quotes and of completion of funded works to show that the money has been spent as planned.