



# Grants

## Peak District National Park Authority

### Internal Audit Report 2015/16

Business Unit: Grants

Responsible Officer: Assistant Director Land Management

Service Manager: Countryside and Economy Manager/Cultural Heritage Manager

Date Issued: 28 January 2016

Status: Final

Reference: 69105/001

	P1	P2	P3
<b>Actions</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Overall Audit Opinion</b>	High Assurance		

# Summary and Overall Conclusions

## Introduction

The Peak District National Park Authority gives out a significant amount of money each year, although this is dwindling in line with the cuts to budgets that have occurred.

Areas where grant funding is still available include:

- Sustainable Development Fund: budget c£43,000 for 2015/16
- Environmental Enhancement Scheme: budget c£145,000 for 2015/16

## Objectives and Scope of the Audit

The purpose of this audit was to provide assurance to management that procedures and controls within the system ensure that:

- There is a clear application process for each grant which ensures that sufficient information is available to inform decision making
- There are procedures in place for awarding grants that are applied consistently across the authority and ensure that objectives for each grant are defined prior to awarding.
- There are procedures in place to monitor and review performance and outcomes regularly, to ensure the monies are delivering the desired objectives
- Appropriate financial management procedures are in place

## Key Findings

The processes within the Authority for awarding grants are generally very good.

- There is a clear application process, which is communicated to applicants either verbally or in writing. For the SDF grant, there is a link on the website to dates when a panel will meet to decide awarding of grants - this link currently does not work and should either be updated if still relevant or removed if not.
- Grants are awarded according to a scoring matrix and officer approval. Authority to do this is delegated in line with the Authority's standing orders, up to a limit of £30,000. For the SDF/cycle fund grants, while there was a copy of the officer report on file, this was not the signed copy – authorisation is done by email. It would be advisable to retain either a signed copy of the report or of the emails on file in case of any clarification required further down the line, although it is appreciated that this fund is winding up.
- The objectives for each grant are clearly defined and communicated to applicants. Projects are reviewed to ensure they are meeting the objectives of the grant. Where appropriate action can be taken to reclaim grant money where it is felt that applicants are not meeting those

requirements although it is accepted that this is a very rare occurrence - it would be advisable to always have this process detailed within the grant conditions in order to avoid any challenge should the situation occur.

- Grants are monitored frequently and in line with service requirements. They are reconciled using the FRED financial system and, in the case of the SDF/cycle grants, discussed at quarterly monitoring meetings.

## **Overall Conclusions**

It was found that the arrangements for managing risk were very good. An effective control environment appears to be in operation. Our overall opinion of the controls within the system at the time of the audit was that they provided **High Assurance**.

# Audit Opinions and Priorities for Actions

## Audit Opinions

Audit work is based on sampling transactions to test the operation of systems. It cannot guarantee the elimination of fraud or error. Our opinion is based on the risks we identify at the time of the audit.

Our overall audit opinion is based on 5 grades of opinion, as set out below.

Opinion	Assessment of internal control
High Assurance	Overall, very good management of risk. An effective control environment appears to be in operation.
Substantial Assurance	Overall, good management of risk with few weaknesses identified. An effective control environment is in operation but there is scope for further improvement in the areas identified.
Reasonable Assurance	Overall, satisfactory management of risk with a number of weaknesses identified. An acceptable control environment is in operation but there are a number of improvements that could be made.
Limited Assurance	Overall, poor management of risk with significant control weaknesses in key areas and major improvements required before an effective control environment will be in operation.
No Assurance	Overall, there is a fundamental failure in control and risks are not being effectively managed. A number of key areas require substantial improvement to protect the system from error and abuse.

## Priorities for Actions

Priority 1	A fundamental system weakness, which presents unacceptable risk to the system objectives and requires urgent attention by management.
Priority 2	A significant system weakness, whose impact or frequency presents risks to the system objectives, which needs to be addressed by management.
Priority 3	The system objectives are not exposed to significant risk, but the issue merits attention by management.

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