

FROM: Audit and Risk Manager **SUBJECT:** Sports Development
TO: Head of Safer Communities,
Leisure and Environment **DATE:** 18 May 2023
C.C. Chief Executive
Head of Finance
Active Communities Officer
Sports and Leisure Contract
Manager
Business Admin Officer
Portfolio Holder (Cllr Hunt)

1 Introduction

- 1.1 In accordance with the Audit Plan for 2023/24, an examination of the above subject area has recently been completed by Jemma Butler, Internal Auditor, and this report presents the findings and conclusions for information and, where appropriate, action.
- 1.2 Wherever possible, findings have been discussed with the staff involved in the procedures examined and their views are incorporated, where appropriate, into the report. My thanks are extended to all concerned for the help and cooperation received during the audit.

2 Background

- 2.1 The Council operates two small grants schemes to assist qualifying organisations in meeting funding needs for projects which may range from procurements of essential equipment to running special sporting and physical activity programmes.
- 2.2 The allocation of grants through the schemes form part of the duties of a single officer. Their role involves collaborative working with various organisations ranging from community sports clubs to local and sub-regional partnership agencies. With an aim to encourage and increase opportunities for participation in sport and physical activity among the local community.

3 Objectives of the Audit and Coverage of Risks

- 3.1 The management and financial controls in place have been assessed to provide assurance that the risks are being managed effectively. It should be noted that the risks stated in the report do not represent audit findings in themselves, but rather express the potential for a particular risk to occur. The findings detailed in each section following the stated risk confirm whether the risk is being controlled appropriately or whether there have been issues identified that need to be addressed.

- 3.2 In terms of scope, the audit covered the following risks:
1. Resources are inappropriately allocated.
 2. Adverse publicity concerning the Council's role in funding activities.
 3. Inappropriate advice given or promoted.
 4. Council funding is obtained through false representation.
 5. Welfare and safety of participants are put at risk.
 6. Spending of funds not monitored or feedback not received from partners.
- 3.3 These risks, if realised, would be detrimental to the Council with regards to meeting the following corporate objectives, as set out in the Fit for the Future Strategy:
- Contributes to the Health and Wellbeing strategic theme under the Fit for the Future Strategy.

4 Findings

4.1 Recommendations from Previous Reports

- 4.1.1 There were no recommendations made in the audit completed in November 2018.

4.2 Financial Risks

4.2.1 Potential Risk: Resources are inappropriately allocated.

Service area plans are live documents allowing officers to review them frequently to ensure they are up to date. They detail the targets and objectives for the service and allow monitoring of key performance measures throughout the year. Over recent years there have been a number of organisational changes, resulting in a number of restructures which has included the removal of Cultural services, where sports development had previously sat. The new structure has sports development sitting within Safer Communities, Leisure and Environment.

There is reference to sports development within the service area plan recognising that the service is responsible for managing and processing small sports grants across the district. The plan has recorded some key figures for 2021/22 which were updated 23 May 2022. The figures recorded in the plan include the number of grants awarded, total amount and the number of participants benefiting from the scheme. There are no key performance measures or targets included in the plan for sports grants.

The service area plans are linked to the risk registers. By preparing them together it provides the opportunity for officers to identify risks which could prevent them from achieving their objectives. There were no risks identified in the register specifically for the sports grants schemes.

The Active Communities Officer (ACO) manages and maintains their own work plan, submitting it to their line manager for approval. The work plan for 2021 to present was shared detailing the various streams of work. The plan covers a number of years, necessary to enable grants that have been allocated previously to remain on the plan until all documents have been received at the end of the

project and subsequent closure of the file. Grant requests are detailed within the plan along with any follow up communication. The plan tracks the outcome of the sports grants showing the number of people who have benefited from the scheme, the number of grants awarded and total amount and the number of monitoring forms returned. This is maintained as a tally for each financial year.

The figures for grants awarded in 21/22 were recorded as:

- 6 Sport and physical activity grants, totalling £9412
- 5 monitoring forms returned.
- 201 number of young people to benefit.
- 84 number of adults to benefit.
- 21 Sports development grants, totalling £8740
- 21 number of monitoring forms returned.
- 933 number of young people to benefit.
- 306 number of adults to benefit.

The totals for 2022/23 have begun to be calculated but are not yet complete.

The plan lists other areas where support is provided for the applicants of the grants - for example, sharing details of events with the media team to help promote activity within the local community or providing advice on the help available.

Budget setting is completed annually with budget for grants agreed between the ACO and the Assistant Accountant Apprentice (AAA). The funds are taken from WDC accounts but it is unclear how they are funded. The AAA was also unsure. The budget allocated for grants for 2023/24 is approximately £15K.

4.3 **Reputational Risks**

4.3.1 **Potential Risk: Adverse publicity concerning the Council's role in funding activities.**

Criteria for the grants is set out online. There are two grant schemes available - one up to £2000 and the other for a maximum of £500. Further details are given for both schemes setting out the deadlines to apply, the projects that will receive priority and the expectations of the applicant should they be successful.

Grants are to benefit the wider community, not smaller groups - for example, they are not available for schools, PTAs etc. and there are details provided of what the grants don't fund (refreshments / food, building renovations / works). The ACO's contact details are provided should the applicant have any questions or require support with their application. A number of other sites are signposted for grants from other providers such as Sport England, The National Lottery and Warwickshire County Council.

The provision of sports grants links to the Council's Fit for the Future strategy through the people strand. "... *the contribution made through physical activity and sport provided by a wide range of opportunities in the district.*" The grants available to the community groups could be considered within these opportunities.

The scheme began in 2010/11 when the partnership between WDC and Campion School ended. Recognising that there was a need for activities that members of the community could take part in, the funds, which had previously been used for the partnership, became grants.

It was agreed to end the partnership at Executive committee on 10 August 2011. A further report was due to be presented to Executive at a later date detailing a sports development programme but this could not be found.

The scheme of delegation from 11 May 2022 details the Head of Culture, Tourism and Leisure as the delegated officer to "Determine grants to Sports and Cultural Organisations". Although there have been minor updates since this date, none could be identified, moving the responsibility to the Head of Safer Communities, Leisure and Environment in line with the changes of organisational structure. There was a revision of the Senior Leadership Team that was approved at Employment committee 6 September 2022.

At present the ACO recommends the approval or not for the applications for grants to the Sports and Leisure Contract Manager who approves the decision. This approval is then documented in the file for the applications.

There is no formal policy for the sports development grants. The two grant schemes are described thus on the website:

Sport and physical activity (SPA) grant 2023/24 (maximum grants of up to £2,000).

Must benefit one of the following wards:

Leamington Brunswick
Leamington Willes
Whitnash

Sports development grant 2023/24 (maximum grants of up to £500).

The application must be supported by the ward Councillor from the area the project is being delivered in.

Other than the above differences the criteria for the grants are similar, with aims to increase opportunities for local people to participate in sport and to encourage new people to take up sport. The applicants must demonstrate that there is a need for the project e.g. through providing evidence of any consultation that has taken place and confirmation that the project will continue to be delivered after the grant has been used for initial delivery. When applying for the grants there are links provided to maps showing the ward boundaries and Councillor details.

The decision to provide the SPA grant to applicants where the benefits would be within the three specific wards is a historical one due to the loss of the facilities previously available at Campion School. As this does not appear to have been formally documented and approved there seems to be no reason why this criteria couldn't be reviewed, either making it available to the whole district or allowing the funding to focus on areas within the district identified as having a higher need. As the sports facilities available throughout the district have changed over the last thirteen years it is likely that the level of support required has changed, thus adding to the case for a review.

Recommendation

The criteria for the sport and physical activity grant should be reviewed and reassessed on a regular basis to ensure it is available to the more deprived communities, thus providing justification as to why it is being restricted to specific wards.

Other criteria is reviewed and updated as needed to ensure it is clear which groups can apply for the grants. The most recent updates included clarifying that PTA groups cannot apply where the benefit is only for the school community.

A walkthrough of the application process was performed and the follow up steps were discussed with the ACO and the Business Admin Officer. The application forms are online forms that need to be completed before the page 'times out'. Because of this, the applicant is forewarned of the information they are expected to provide and of any documents that they will need to upload. When completing the form the first page details out-of-date information, referring to the Portfolio Holder for Cultural Services. However, this service area no longer exists. (The ACO has been informed so they can update it.)

The application form lists the eligibility criteria for the grant. Applicants must confirm they meet the criteria before they can advance to the next page. The application has 11 pages for the SPA grant and 21 for the sports development grant. Each page has a time limit of 20 minutes to input information. If the 'next' or 'previous' button is not pressed within this time the information that has been input is lost. The application collects a range of information about the project including: applicant details, reason for the application, amount requested and supporting information to be provided or uploaded. An email is automatically generated to the applicant on completion of the application.

4.3.2 Potential Risk: Inappropriate advice given or promoted.

Advice regarding sports development is readily available on the Council's website. The advice provided covers the grant schemes available from the Council, signposting to other local leisure information and activities like walking sports, community activities and inclusive sports and websites such as change4life and NHS Live Well.

The advice regarding Council-run activities is maintained and kept up-to-date. There are a large number of links to external sites and community pages within a directory. There isn't enough resource to check each link so the ACO relies on organisations or customer feedback to let the Council know of any issues or changes.

Local sports or community groups are able to contact the ACO with information or provide posters about projects they are running. The ACO shares these on the sports development pages or with other groups where appropriate.

The contact details of the ACO are provided on a number of different pages should the customer need additional advice or support. The ACO explained that they are contacted on average around three times per week asking for advice or

information. The grants pages encourage applicants to contact the ACO before applying.

4.4 **Fraud risks:**

4.4.1 **Potential Risk: Council funding is obtained through false representation.**

There are no documented processes and procedures for authorising and administering the sports grants, other than the criteria listed on the website. Payments are made to successful applicants using the standard finance creditor process, obtaining a copy of a recent bank statement to confirm the details before adding them to the finance system and issuing payments.

Once an application has been submitted online it is checked by a business admin officer to ensure the relevant documents have been uploaded and the information completed. The finance system is also reviewed to see if the applicant is already set up as a creditor. In some cases the applicant may have received a grant previously so the bank details provided are checked against those held to ensure they are still correct. A file is set up in the applications folder and the ACO is informed so they can review it, either approving or denying the application. A spreadsheet is maintained by the business admin officers listing the application details and whether they were successful or not.

The ACO emails their line manager listing the applications and whether they think the grants should be approved or not. If the former, then the line manager will sign off the approval. Business admin officers are then notified of the outcome and instructed to issue the funds. Applicants can apply for both grants and can apply for more than one opportunity but cannot have more than one award per financial year.

A sample of 20 grant applications was reviewed. The sample was extracted from a list of applications received since April 2021. The sample included applications from both sports development grant schemes. The total sum of grants applied for in the sample was £38,342. Three of the applicants had not included correct documents with their application so had been contacted to send them in. In some cases this was because the documents they had included weren't clear copies and others required correspondence from the Ward Councillor to confirm that they supported the application. Ten of the sample had returned monitoring forms and invoices or receipts to show how the funds had been spent. Where the monitoring form and invoices or receipts indicated that not all the grant had been spent the applicant had been contacted in order to dispense advice on how to use the rest of the funds. Where funds had been issued to applicants, the details shown on the bank statements were checked against those held on the system to ensure the correct bank account received the funding.

The checks completed help to ensure the funding is received by the correct applicant and that the reason for the grant meets the criteria set out.

4.5 **Health and Safety Risks**

4.5.1 **Potential Risk: Welfare and safety of participants are put at risk.**

The Eligibility Criteria includes a requirement that applicants have the relevant insurance and safeguarding measures in place. This is not checked but relies on the applicant confirming that they meet the criteria as part of the application form. By requesting that the applicant tick a check box if they meet all of the criteria. The list of criteria includes:

You have all the following policies and procedures in place: safeguarding, health and safety, equality and diversity, data protection and public liability insurance.

No documents are collected to confirm the applicant has them. This is because there isn't the resource available to check they have the right documents and there isn't the knowledge to understand them and confirm that they are adequate.

Recommendation

As the criteria specifies that the applicant should have specific policies in place as well as public liability insurance, copies should be included with the application. (The officers reviewing them would not necessarily be expected to fully understand them but by obtaining copies of the documents it would confirm that they exist.)

4.6 Other Risks

4.6.1 Potential Risk: Spending of funds not monitored or feedback not received from partners.

Monitoring forms are issued when the applicant is notified that they have been awarded the grant. The return of the forms is monitored and so where it hasn't been received the applicants are contacted every 2–3 months to obtain an update on the progress of their project and to remind them to return the monitoring form and invoices or receipts.

96% of monitoring forms were returned for grants issued in 2021/22 and 37% have been returned so far for 2022/23.

Spending of funds is monitored by reviewing the monitoring forms and comparing them to the original grant application to check that the funding has been used for the reason originally specified. This also ensures that the funds have been used as set out in the criteria. Where funding is underspent the ACO will discuss options with the applicant to help them to find other ways of spending it.

At present the outcome information on the monitoring form is used only in terms of numbers of participants in the scheme and to check the funding had been used appropriately. This is then recorded on the service area plan as an outcome of the grants.

Applicants for the SPA grants have to show they have researched the project and that there is a need for it within the community. For these applications feedback could be obtained to see if the outcome met the expectations of the

project. This is currently not being done due to a lack of available resource to obtain the feedback and collate it all.

Although there are no performance measures included in the service area plan, basic outcome figures are recorded detailing the number of grants issued, total sum of grants, monitoring feedback forms received and number of participants who took part.

5 **Summary and Conclusions**

5.1 Section 3.3 sets out the risks that were being reviewed as part of this audit. The review highlighted weaknesses against the following risks:

Risk 2 - Adverse publicity concerning the Council's role in funding activities.

Risk 5 - Welfare and safety of participants are put at risk.

5.2 In overall terms, however, we can give a SUBSTANTIAL degree of assurance that the systems and controls in place in respect of Sports Development are appropriate and are working effectively to help mitigate and control the identified risks.

5.3 The assurance bands are shown below:

Level of Assurance	Definition
Substantial	There is a sound system of control in place and compliance with the key controls.
Moderate	Whilst the system of control is broadly satisfactory, some controls are weak or non-existent and there is non-compliance with several controls.
Limited	The system of control is generally weak and there is non-compliance with controls that do exist.

Richard Barr
Audit and Risk Manager

Action Plan

Internal Audit of Sports Development – May 2023

Report Ref.	Risk	Recommendation	Rating*	Responsible Officer(s)	Management Response	Target Date
4.3.1	Adverse publicity concerning the Council's role in funding activities.	The criteria for the sport and physical activity grant should be reviewed and reassessed on a regular basis to ensure it is available to the more deprived communities, thus providing justification as to why it is it being restricted to specific wards.	Low	Active Communities Officer	The grants for the current financial year have already received a number of applications based on the criteria in place. A review will be completed and any changes will be put in place ready for the start of the next financial year.	April 2024
4.5.1	Welfare and safety of participants are put at risk.	As the criteria specifies that the applicant should have specific policies in place as well as public liability insurance, copies should be included with the application.	Low	Active Communities Officer	The list of policies and documents an applicant is required to have will be reviewed and updated as they may no longer be relevant or required. A disclaimer will be added to the information removing liability from WDC for activities associated with the grants. Where it is identified that a policy or document is still required a copy of it will be requested.	April 2024

* The ratings refer to how the recommendation affects the overall risk and are defined as follows:

High: Issue of significant importance requiring urgent attention.
Medium: Issue of moderate importance requiring prompt attention.
Low: Issue of minor importance requiring attention.