

**FROM:** Audit and Risk Manager                      **SUBJECT:** Sports Development  
**TO:** Head of Cultural Services                      **DATE:** 16 November 2018  
**C.C.** Chief Executive  
Deputy Chief Executive (AJ)  
Head of Finance  
Sport and Leisure Contract  
Manager  
Portfolio Holder – Cllr. Coker

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## 1 **Introduction**

- 1.1 In accordance with the Audit Plan for 2018/19, an examination of the above subject area has been completed recently and this report is intended to present the findings and conclusions for information and action where appropriate.
- 1.2 Wherever possible, results obtained have been discussed with the staff involved in the various procedures examined and their views are incorporated, where appropriate, in any recommendations made. My thanks are extended to the Active Communities Officer for the help and co-operation received during the audit.

## 2 **Background**

- 2.1 The subject of the audit carries a high strategic profile connected with well-publicised issues of national significance while, when looked at in more depth, focuses primarily on the duties of a single Council officer.
- 2.2 These duties substantially involve collaborative working with various organisations ranging from community sports clubs to local and sub-regional partnership agencies towards a common purpose – to encourage and increase opportunities for participation in sport and physical activity among the community at large.
- 2.3 As part of this, 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.
- 2.4 The officer's role has not changed significantly as a result of the Leisure Development Programme, except that it no longer extends to directly organising and running holiday activities. This has been taken on by the sport and leisure contractor as a consequence of the Leisure Development Programme, while the officer has maintained what is described as an 'enabling' role.

2.5 As a result, the appointment of casual sports coaches to oversee these activities has ceased to be part of the Sports Development role, effectively replaced by establishing and maintaining working relationships with the contractor to deliver the said activities.

### 3 **Scope and Objectives of the Audit**

3.1 The audit examination was undertaken for the purpose of reporting a level of assurance on the effectiveness of deployment and management of resources in developing sporting activity.

3.2 The audit took the form of a risk-based examination of structures and processes in the context of the following themes:

- strategy and policy
- delivery planning
- roles and responsibilities
- processes and procedures
- monitoring and review
- performance and improvement.

3.3 The findings are based on discussions with Manoj Sonecha (Active Communities Officer) and examination of relevant documents and records. The latter included testing of small grant awards under the relevant schemes on a sample basis.

### 4 **Findings**

#### 4.1 **Recommendations from previous report**

4.1.1 The current position in respect of the recommendations from the audit reported in July 2015 is as follows:

<b>Recommendation</b>	<b>Management response</b>	<b>Current Status</b>
1 Further effort should be made to obtain the outstanding monitoring forms for 2014/2015. <i>(Low Risk)</i>	To be followed up by e-mail and telephone with the applicable grant payees.	Re-review of this area discussed under 4.5 below.
2 The scheme of virement should be applied when necessary to transfer funds between budgets. <i>(Medium Risk)</i>	Budgets will be reviewed monthly and the scheme of virement will be applied as necessary for the remainder of the financial year.	Review of budgets is discussed under 4.3 below.

#### 4.2 **Strategy and Policy**

4.2.1 The current strategic direction comes primarily from Fit for the Future (Vision and Purpose) and from the Health and Wellbeing Agenda.

4.2.2 Influences are also evident in the 'Towards an Active Nation' Strategy (Sport England) and the vision and principles underpinning the Leisure Development Programme.

4.2.3 The only elements of established written policy to emerge from the examination focus on the two grant schemes and their application.

#### 4.3 **Delivery Planning**

4.3.1 The Service Area Plan for Cultural Services identifies five service priorities pertaining to Sports Development. The Active Communities Officer formulates an annual work plan which is agreed with line management and forms the basis for delivering and monitoring achievement of the Service Area Plan priorities and personal objectives.

4.3.2 A copy of the current year work plan was provided for the audit. From brief examination, this appears to dovetail well with the Service Area Plan priorities.

4.3.3 The last financial year saw some budget re-alignment emanating from the Leisure Development Programme. One noticeable consequence was the removal of the employees cost pertaining to the Active Communities Officer as an item of direct expenditure in the Sports Development cost centre budget, being instituted as part of the Client Monitoring Team budget and recharged at year-end.

4.3.4 The current Sports Development budget for 2018/19 has allocations for direct expenditure, totalling just short of £25,000, which principally cover payments of grant and project funding contributions.

#### 4.4 **Roles and Responsibilities**

4.4.1 As represented in relevant job descriptions, the role of the Active Communities Officer post and line management relationships come across as fitting in well with the aims of the service and with the delegation of authority to the Head of Cultural Services for determining applicable grants under the Constitution.

#### 4.5 **Process and Procedures**

4.5.1 The examination under this theme has centred around the two grant schemes and project funding contributions. While the grants are open to a range of providers in the District and have to be specifically applied for on downloadable forms, the project funding contributions are determined on annual basis dependent on residual budget availability and bids from established trusted agencies. Review of financial data shows the Central Warwickshire School Sports Partnership as the primary recurring beneficiary.

4.5.2 It was advised that the Active Communities Officer determines the project funding contributions in agreement with the line manager.

4.5.3 The Sports Grants scheme came under the responsibility of the Active Communities Officer in 2010 and the Sport and Physical Activity Grant scheme started in 2011. The latter is specifically targeted towards projects benefiting specified District wards in South Leamington.

- 4.5.4 An analytical review of grant payments over the past three financial years show that 38 qualifying organisation received grants of one or both of the two types to a total sum of £59,700.
- 4.5.5 On average, Sports Grants were paid to 29 recipient bodies annually, ranging from £150 to the maximum allowed sum of £500. In the case of Sport and Physical Activity Grants, the annual average was 12 grants to 9 bodies ranging from £200 to £1,700 (the maximum allowed is £2,000).
- 4.5.6 The process for assessing applications and determining awards for both schemes is paper-based, although the actual payments are processed from purchase orders raised in the Total Financial Management System. From examination and sample testing, the process comes across as robust and fit for purpose.
- 4.5.7 An element added to the processing of Sports Grants since the last audit is ratification by the Portfolio Holder (evidenced by retained e-mail correspondence).
- 4.5.8 The monitoring forms which were the subject of the first recommendation from the previous report apply to both grant schemes. It is a condition of grant award that these forms are completed and returned at the end of the funded activity to account for the dispensing of grant funds and outcomes from the projects in question.
- 4.5.9 In periodic 'sweeps', the grants are reviewed and forms requested by e-mail with further e-mail follow-up for those not returned in response to the request. Beyond that, non-returns are not escalated further, being considered a disproportionate response. From a review of award history records, the incidence of non-returned monitoring forms is not seen as significant.
- 4.5.10 It was advised that checks into history records for any previous award to the same applicant for which no monitoring form had been returned form part of the assessment process. In the case of a previous non-return, the applicant would be expected to remedy this before the application can proceed.

#### 4.6 **Monitoring and Review**

- 4.6.1 It was advised in discussions that the grant monitoring forms provide some feed into team and service area management review and are taken up by the Portfolio Holder in Service Area Plan reports and other publicity demonstrating how the service is helping to increase opportunities and participation in sport/physical activity.
- 4.6.2 Processes for review of performance against the annual work plan are a matter for application of the Appraisal and Competency Scheme and, as such, not subject to examination within the scope of this audit.

#### 4.7 **Performance and Improvement**

- 4.7.1 It is fair to say that the activities of the Sports Development service do not lend themselves easily to quantitative measures of performance and improvement that can be derived from internal data. The Service Area Plan utilises activity percentages taken from the annual 'Active Lives' survey instituted by Sport England as the applicable Customer Measures.
- 4.7.2 The Portfolio Holder Statement from April 2018 has taken particular note of the latest survey results which show comparatively high participation levels for the District.

#### 5 **Conclusions**

- 5.1 Following our review, we are able to give a SUBSTANTIAL degree of assurance that the structures and processes in place to deliver the aims and objectives of the Sports Development service are appropriate and are working effectively.
- 5.2 The assurance bands are shown below:

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

- 5.3 There are no recommendations arising from this examination.

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