

Kilkenny County Council

Internal Audit Report Review of SICAP Programme 2019 & 2020

Date: 7th February 2022

Report Distribution

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Introduction

The Social Inclusion and Community Activation Programme (SICAP) 2018-2022 provides funding to tackle poverty and social exclusion at a local level through local engagement and partnerships between disadvantaged individuals, community organisations and public sector agencies.

The SICAP programme is managed by Kilkenny Local Community Development Committee (LCDC). The programme is delivered by the Programme Implementer (PI) – County Kilkenny LEADER Partnership Company.

The programme is funded by the Department of Rural and Community Development with co-funding from the European Social Fund (ESF).

Objectives

The objective of the audit is to provide reasonable assurance that the SICAP programme 2019/2020 has been delivered in accordance with the SICAP Programme Requirements 2018-2022.

Approach

Internal Audit carried out a verification visit on site and reviewed a random sample of 35 individual files, 10 group files and 17 grant files for the years 2019 and 2020. Financial transactions for both years were also reviewed including salaries, overheads and payments.

Scope & Limitations of scope

Scope of the audit was limited to a random sample of 35 individual files, 10 group files and 17 grant files.

Audit Risk

- Inaccurate data entry on the Integrated Reporting and Information System (IRIS)
- Non-compliance with Department Circular on Motor Travel Rates
- Insufficient backup documentation received
- Non-compliance with programme requirements

Co-operation of Management and staff

Internal Audit received co-operation from staff of County Kilkenny LEADER Partnership throughout the course of this review and would like to thank them for their assistance.

Internal Audit Opinion

Internal Audit's findings and recommendations are detailed below. Based on this review the audit opinion for the SICAP Programme is reasonable assurance. There is a sufficient framework of key controls for objectives to be met. Risks are managed but could be stronger. Controls are generally applied but some lapses in the application of controls have been observed.

This report was distributed to County Kilkenny LEADER Partnership and includes their Management Response.

The report was noted by Kilkenny County Council Management Team on 15th February 2022.

The Audit Committee reviewed the Audit Report at their meeting of 7th March 2022.

The report was circulated to the A/Chief Officer of Kilkenny LCDC on 8th March 2022

Brigid Webster, Internal Auditor

Findings and Recommendations

Audit Issue	Implication	Priority Rating	Recommendation	Management Response	Target for Implementation
<p>IRIS Data Entry</p> <p>1. Inaccurate data entry on the IRIS system. 4 Local Community Group grant beneficiary files were keyed as interventions instead of outcomes.</p>	<p>Incorrect data on IRIS system resulting in the exclusion of the 4 grants from the 2019 reports.</p>	<p>Medium</p>	<p>The PI must ensure that all IRIS users have sufficient knowledge and understanding of IRIS data inputting.</p> <p>The PI should review and update their data entry procedures.</p> <p>Relevant training should be arranged for staff to ensure that any data entered on IRIS is correct.</p>	<p>Under recording of outputs accepted as an issue.</p> <p>PI will review data entry procedures.</p> <p>PI will provide training to staff on IRIS. Pobal contacted re training schedule.</p>	<p>March 2022</p>
<p>Apportionment Policy</p> <p>2. Anomalies in the % rate of salary apportionment, quoted in the Apportionment Policy for 2019 & 2020.</p>	<p>SICAP programme not being charged according to the % rates as detailed in the Apportionment Policy.</p>	<p>Medium</p>	<p>The PI must ensure that the % breakdown of salary cost is correct in the Apportionment Policy and apportioned accordingly.</p>	<p>KLP accepts that there where a number of small errors in the apportionment policy. Due to the nature of funding and movement of</p>	<p>KLP have reviewed their Apportionment Policy for 2022, to ensure that it is correct, and understood by all involved.</p>

Audit Issue	Implication	Priority Rating	Recommendation	Management Response	Target for Implementation
				<p>staff it has been changed several times during the time of the audit, which can cause confusion, and timing errors etc. It is our intention to review the policy for 2022.</p>	<p>However, in the second quarter of 2022, KLP propose to review the apportionment policy again, as there are expected staff movements at that time. It is intended that KLP will at that stage try if possible, to come up with a simpler, less complicated apportionment policy to utilize going forward.</p>
<p>Travel Expenses Claims</p> <p>3. Incorrect engine capacity applied for when claiming Motor Travel Expenses.</p> <p>Travel claim made with invalid vehicle registration number</p>	<p>Non-compliance with the stipulated travel rates set out by the Department of Public Expenditure and Reform</p> <p>Possible fraudulent travel claims</p>	<p>Medium</p>	<p>In order to claim travel expenses, the Vehicle Registration Certificate confirming the cubic capacity of the vehicle being used for travel must be submitted to the PI. The PI must be notified by the staff member where change of vehicle details needs to be updated.</p>	<p>KLP over the years amended their Travel Expenses templates, and systems based on recommendation from various audits and inspections. Their current T&S templates, and requirement for evidence of insurance a result of this.</p>	<p>KLP have as a result of this audit informed all staff that T&S would not be paid in 2022, without a copy of the Vehicle registration document and copy of insurance. This is as of 1st of February the policy for all T&S being claimed.</p>

Audit Issue	Implication	Priority Rating	Recommendation	Management Response	Target for Implementation
<p>Insufficient back up documentation available with travel claims</p>			<p>The PI must obtain a signed undertaking or Vehicle Insurance Certificate from each staff member who claims mileage expenses. This is to confirm their car is properly insured and that the PI is not liable for any loss or damage resulting from the use of the person's car prior to driving on any official business</p>	<p>KLP have accepted the recommendations, regarding insurance and Vehicle registration document, and will implement immediately.</p> <p>There was no intentional fraudulent claim, the incorrect, registration number was a typo which was carried forward on claim sheets in error.</p> <p>We have taken the actions recommended and these should assist in avoiding this happening again.</p>	

Audit Issue	Implication	Priority Rating	Recommendation	Management Response	Target for Implementation
<p>Grantees – Local Community Groups & Individuals</p> <p>4. Lack of detailed documentary evidence to show that the grant was spent for the purpose intended.</p>	<p>Potential misuse of grant funding.</p>	<p>Medium.</p>	<p>Documentary evidence that the grant was spent on the intended purpose must be available on all files. This is in line with the PI's own internal checklist. Ideally this evidence should be put on the files when the 'SICAP Programme Checklist & Closure Form' is being completed.</p> <p>It is noted by Internal Audit that when the files were checked not all documents were available. However, documents were produced when requested.</p>	<p>KLP accept a lack of consistency in how reports were gathered as proof of spend of grant aide under the Programme. Covid 19 and dispersed forms of working has been a factor in file management as Development Officers worked from home.</p> <p>Reporting template will be reviewed.</p> <p>A central digital file will keep on all project payments documents that is more easily accessible.</p>	<p>End February 2022</p>