

Kilkenny County Council

Internal Audit Report ■ Review of SICAP Programme 2018

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Report Distribution

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Summary

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 LCDC. The programme is delivered by the Programme Implementer (PI) – Kilkenny LEADER Partnership.

The programme is funded by the Dept. 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 2018 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 26 individual files and 10 group files. Financial transactions for 2018 were also reviewed including salaries, overheads and payments.

Scope & Limitations of scope

Scope of audit was limited to a random sample of 26 individual files and 10 group files.

Audit Risk

- Non compliance with programme requirements.
- Ineligible costs charged to programme.
- Grants paid for ineligible projects.
- Inadequate authorization controls
- Insufficient backup documentation received.

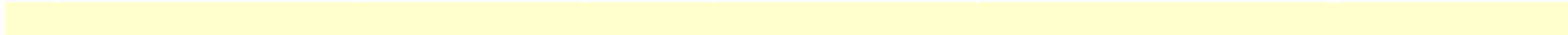
Co-operation of Management and staff

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

Findings and Recommendations

Audit Issue	Implication	Priority Rating	Recommendation	Management Response	Target for implementation	
Social Inclusion and Community Activation Programme (SICAP)						
Cost Apportionment						
1.	SICAP charged 100% for rent of a building that is shared with another programme. Under approved apportionment policy, SICAP is to be charged 50% of rent costs.	SICAP programme is charged with costs not related to the programme.	Medium	The programme implementer should review its procedures to ensure that apportionment policy is fully complied with and that costs are apportioned in a fair manner based on appropriate cost drivers.	KLP took on Board the comments of the audit, and as the rent for 2019 had not been paid, at the time of receipt of audit findings, KLP adjusted their processes and charged SICAP 50% and PHC 50% for rent on the O'Loughlin Court premises, in line with all other costs.	KLP will amend its 2020 Apportionment Policy to charge rent in O'Loughlin Courts as follows: SICAP 50% and PHC 50%.

2.	During year, apportionment policy was amended with additional costs apportioned to SICAP due to other programmes budgets being used up.	SICAP programme is charged additional overhead costs due to lack of resources in other programmes.	Medium	Only overhead costs that are driven by the SICAP programme should be charged to SICAP.	KLP is aware that overheads should be charged based on need, and not based on available resources. However, the reality is that if towards the end of financial year a programme which is under-resourced cannot contribute to light and heat etc., then it cannot be charged, yet the bill still has to be paid, from some source. It is not just the SICAP programme that gets affected by these changes to apportionment policies late in the year, other (usually) larger programmes also get effected and charged to cover funding gaps. It should be noted by that not all programmes are resourced equally and this fact is a challenge for the organisation in terms of apportionment. As a result this fact forms part ongoing debate between KLP and funders/ those to which we are contracted to such as the HSE, DEASP, Pobal etc. KLP will bring the findings of this audit to those funders attention in the hope of securing adequate funding to allow a more consistent apportionment policy.	
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Grants to Local Government Groups

3.	One organisation received more than 3 grants of €1,500 each in 2018.	Non-compliance with the conditions of the SICAP programme. An LCG cannot receive more than one grant per year.	Medium	Staff should ensure that conditions of the SICAP programme in relation to grant funding are complied with.	The Management Team will ensure that community groups will receive only one grant per annum and this will not exceed €1,500.00.	January 2020
4.	Lack of detailed documentary evidence received from groups to show that grant was spent for the purposes intended.	Potential misuse of grant funding.	Medium	A deadline should be given to Groups to submit documentary evidence of work carried out.	A reporting template has been developed to include a narrative on activities, levels of engagement by beneficiaries and a breakdown on spend.	January 2020