

INTERNAL AUDIT REPORT

Public Health Grant – Retained Portions

2021/22



A. Executive Summary

On the basis of our fieldwork, we are able to provide the following level of assurance on the overall adequacy of the control framework as per our audit scope:

Audit Opinion:	
Substantial Assurance	There is a sound control framework which is designed to achieve the service objectives, with key controls being consistently applied.
Reasonable Assurance	Whilst there is basically a sound control framework, there are some weaknesses which may put service objectives at risk.
Partial Assurance	There are weaknesses in the control framework which are putting service objectives at risk.
Minimal Assurance	The control framework is generally poor as such service objectives are at significant risk.

Recommendations:				
PRIORITY	High	Medium	Low	Total
Number of Recommendations	0	0	2	2

Summary of Findings:
Low Priority
<p><u>Budget Monitoring:</u></p> <ul style="list-style-type: none"> Budget holders do not routinely receive a copy of the Public Health grant conditions [R1] <p><u>Reporting:</u></p> <ul style="list-style-type: none"> The Director of Public Health and s.151 Officer do not receive a copy of the Public Health Revenue Outturn (RO) form to support their Year End Statement of Assurance sign-off [R2]

B. Audit Objectives, Scope & Methodology

The control framework is the system of risk management, internal control and governance put in place by management to ensure that objectives are achieved, waste and inefficiency is minimised and to prevent and detect fraud and corruption. This audit was conducted as part of the 2021/22 BCP Council Internal Audit Plan.

Our objectives were to provide assurance on the appropriateness of governance arrangements for the portion of the Public Health Grant that is retained by BCP Council. Assurance regarding the portion of the grant retained by Dorset Council has been provided by their own internal auditors (SWAP) using the same audit programme. The areas assessed as per the agreed Audit Brief are summarised below:

- Financial Information: Assessment of whether there is detailed expenditure information contained within the BCP Council finance system for the retained grant.
- Budget Monitoring: Assessment of whether the budget holders monitor expenditure of the retained grant.
- Reporting: Review of arrangements for the Director of Public Health and BCP Council s.151 Officer to obtain assurance that the retained grant is spent in accordance with the grant conditions (the upwards reporting arrangements in place to facilitate this).

Where weaknesses in the control framework have been identified, recommendations have been made for improvement.

We undertake our work on a risk and sample basis in line with Public Sector Internal Audit Standards and as such we do not test all internal controls nor identify all areas of control weakness, fraud or irregularity, however, any issues identified during the course our work are reported to management.

Recommendation Priority Ratings:

High Priority	High priority recommendations have actual / potential critical implications for achievement of the Service's objectives and/or a major effect on service delivery. Agreed actions should be urgently implemented by the Service within 3 months of the issue of the final audit report and the associated risk(s) added to the Service Risk Register. <i>Recommendations will be followed-up by Internal Audit as they fall due.</i>
Medium Priority	Medium priority recommendations have actual / potential significant implications for achievement of the Service's objectives and/or a significant effect on service delivery. Agreed actions should be implemented by the Service within 9 months of the issue of the final audit report and formal consideration should be given to adding the associated risk(s) to the Service Risk Register. <i>Recommendations will be followed-up by Internal Audit as part of the next audit review or within 12 months after the implementation due date (whichever is sooner).</i>
Low Priority	Low Priority recommendations have actual / potential minor implications for achievement of the Service's objectives and/or a minor effect on service delivery. <i>Recommendations will not be routinely followed up by Internal Audit, however, action taken to implement may be assessed on an ad hoc basis.</i>

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C. Detailed Findings & Recommendations

1. Financial Information

BCP Council has retained £8,112k of the Public Health Grant for 2021/22. This has been allocated to the following areas:

- £5,001k - Drugs and alcohol services for adults and children
- £2,994k – Children’s Centres
- £117k – Central overheads element

Arrangements for ensuring that the BCP Council finance system contains detailed expenditure information for the retained grant appeared reasonable.

2. Budget Monitoring

Arrangements to ensure budget holders monitor expenditure of the retained grant appeared reasonable. A minor recommendation relating to issues identified during the course of our work is detailed below.

Rec. No.	Finding	Recommendation	Priority	Status / Management Response	Responsible Officer	Target Date
R1	<p>Grant Conditions</p> <p>Issue: Budget holders do not have a copy of the grant conditions to ensure awareness of the requirements.</p> <p>By way of compensating control, this information is publicly available on the Government’s website and service plan priorities, objectives and associated actions are consistent with grant conditions.</p> <p>Risk: Grant conditions are not met.</p>	<p>It is recommended that procedures are put in place to ensure that at the point Public Health Grant funds are received, budget holders are provided with and acknowledge acceptance of the associated conditions.</p>	Low	Agreed with Management	Finance Manager, ASC & Public Health	30.06.2022

3. Reporting

Arrangements for reporting of retained grant appeared reasonable.

Quarterly 'Finance Update' reports on the use of each council's grant are provided to the Joint Public Health Board by the Consultant in Public Health using information provided by the BCP Finance Manager (ASC & Public Health).

It was noted that a modest underspend on the 2021/22 Drug & Alcohol Misuse Services Public Health budget is expected at year end (approx. £375k). As in previous years, the Director of Public Health has been consulted to confirm that this funding should be redirected for use as a higher contribution towards Children's Public Health services provided by BCP Council.

A minor recommendation relating to issues identified during the course of our work is detailed below.

Rec. No.	Finding	Recommendation	Priority	Status / Management Response	Responsible Officer	Target Date
R2	<p>Year End Statement of Assurance</p> <p>Issue: The Council's s.151 Officer and the Director of Public Health are required to sign an annual statement of assurance to confirm that they have reviewed the public health Revenue Outturn (RO) form and are satisfied that grant monies have been applied in accordance with the specified conditions.</p> <p>It was noted that although there are well-established processes for monitoring and reporting of grant expenditure and for completion and external audit of the Council's RO form (including the specific section on Public Health), a copy of the form is not supplied to the s.151 Officer and Director of Public Health at the time they are asked to sign the statement.</p> <p>Risk: Supporting audit trail for Year End Statement of Assurance sign-off is incomplete.</p>	<p>It is recommended that procedures are put in place to ensure that the BCP Council s.151 Officer and Director of Public Health are provided with a copy of the public health section of the Revenue Outturn (RO) form to support their Year End Statement of Assurance sign-off.</p>	Low	Agreed with Management	Finance Manager, ASC & Public Health	31.10.2022