

Executive Summary

British Council Grants

BACKGROUND

- 1 An audit review has been undertaken of the control environment in the administration of British Council Grants by International School Linking (ISL), which is a Council-run service to support schools to develop a global dimension across the curriculum. It started in 2012 (when advisory services across Wales were reorganised) and became a traded service, for which schools have paid a subscription.
- 2 Since 2014, the grants have been funded by Erasmus+ and the council has been able to apply for consortium applications under Key Action (KA) 1, KA2 and CPD funding. Under KA1, teachers travel to see educational practice in other countries; under KA2 projects there are more intellectual outputs and travel / meetings required. Erasmus+ is the European Union programme for (inter alia) education and training, and is open to countries in Europe and beyond.

MAIN CONCLUSIONS

- 3 The audit reported a number of control gaps that need to be addressed by management to provide the necessary assurance on good governance in the administration of funds, and an audit opinion of **unsatisfactory** has been allocated.
- 4 Processes to code income and expenditure were insufficient and not reconciled at individual project-levels in respect of funding claimed and applied, for which a full reconciliation is required with the engagement of the grant awarding body, to ensure terms and conditions are met.
- 5 Improvements were required across processes, including accounting for delegates, procurement card oversight, information management, and to formalise arrangements and funding for office accommodation at Greenway Primary School. Whilst audit colleagues were advised that relevant business and personal interests had been communicated and discussed with management, declarations were not formally completed.
- 6 The audit has also raised a need for control improvements in the operating environment, as a lead Council officer has been a lead officer and director of a separate entity, to whom Council and private staff members reported and worked in a shared office. Management have been strongly advised to physically separate the Council and non-Council entities, to ensure that all business interests are properly disclosed, and that the practicalities of any Council officer working for both entities are fully considered, with the engagement of HR People Services.

RECOMMENDATIONS FOR ACTION

- 7 The audit included nineteen recommendations (seven red, six red/amber and six amber/green).
- 8 Management have agreed all of the nineteen recommendations raised during the audit.

LATEST POSITION

- 9 Management have agreed to deliver all recommendations, through a review and update of operational processes and oversight with the engagement of colleagues in HR People Services and Information Governance, and support in financial system design and reconciliation from Finance colleagues.
- 10 Internal Audit will continue to monitor the internal control environment through the recommendation tracker and regular discussions with management. A further follow up audit will be undertaken in line with the audit protocol.