

# APPENDIX B: Limited Assurance Statement

AUDIT	Flood Alleviation Grants	DATE:	08 May 2014
-------	--------------------------	-------	-------------

## Control Objective:

Limited Assurance Statement within audit opinion of report	Supplementary information relating to limited assurance statement
<p>Once completed, the flood alleviation schemes funded by the Gloucestershire County Council grant contribution will lead to positive outcomes for the community. In respect of expenditure towards the schemes; this has been made in accordance with the council's Financial and Contract Procedure Rules and progress reports have been set up for the purposes of monitoring each scheme. Furthermore, monthly updates are provided to the County Council on the status of the schemes.</p> <p>The audit established that no formal agreement or grant terms and conditions exist between Tewkesbury Borough Council and Gloucestershire County Council; presenting a number of financial and reputational risks. At the time of the audit, there was also no evidence of an agreement with the Parish council in respect of the scheme at The Leigh; this should be in place to establish responsibility for ongoing maintenance. The need for these governance issues to be resolved is supported by One Legal.</p> <p>A review of the progress reports during the audit identified the following areas where enhancements should be made:</p> <ul style="list-style-type: none"> <li>• A regular update and reconciliation against the new financials system.</li> <li>• The recording of expenditure codes and use of unique references for each scheme to effectively trace and monitor expenditure.</li> </ul>	<p>It is recognised that once completed, the flood alleviation schemes will lead to positive outcomes for the community. The audit did however identify a number of key areas where only limited assurance could be obtained in relation to the monitoring and governance of these schemes; namely:</p> <ul style="list-style-type: none"> <li>• No formal agreement or grant terms and conditions exist between Tewkesbury Borough Council and Gloucestershire County Council; presenting a number of financial and reputational risks.</li> <li>• The progress reports provide limited information to enable expenditure to be monitored and traced within the new financials system i.e. the use of unique references for each scheme, details of the payee, a record of expenditure codes used, details of net and gross amounts paid for the purposes of reclaiming VAT and details of invoices raised to GCC to reclaim the grant monies.</li> <li>• In some cases, expenditure recorded on the progress reports did not reconcile to the new financials system.</li> <li>• At the time of the audit there was no evidence of an agreement between Tewkesbury Borough Council and the Parish Council in respect of the scheme at the Leigh; this should be in place to establish responsibility for ongoing maintenance and applies to all of the schemes.</li> </ul> <p>At the time of the audit, of the £205,000 grant funding secured, a total of £15,000 had been received from the County Council in respect of a revenue funded scheme at Brockworth. Expenditure to date in respect of the remaining schemes was yet to be reclaimed from the County Council. Since completion of the audit, an invoice totalling £27,907.28 has been raised in respect of the completed scheme at The Leigh.</p> <p>The audit recognises that quarterly updates in respect of the schemes are provided to Members via the Flood Risk Management Group (FRMG) and Overview and Scrutiny Committee (performance tracker). Given the remit of the FRMG, the progress reports (including financials) should be kept up to date and provided to the group.</p>

**E= Essential** – Necessary due to statutory obligation, legal requirement, Council policy or major risk of loss or damage to Council assets, information or reputation. Where possible it should be addressed as a matter of urgency.

**N= Necessary** - Could cause limited loss of assets or information or adverse publicity or embarrassment. Necessary for sound internal control and confidence in the system to exist and should be pursued in the short term, ideally within 6 months.

# APPENDIX B: Limited Assurance Statement

AUDIT	Flood Alleviation Grants	DATE:	08 May 2014
-------	--------------------------	-------	-------------

<ul style="list-style-type: none"> <li>• The recording of net and gross amounts paid for the purposes of reclaiming VAT.</li> <li>• A review of the capital/ revenue split and cost codes used for the works should be undertaken in conjunction with Financial Services.</li> </ul> <p>Recommendations have therefore been made in relation to establishing a robust mechanism for monitoring the flood alleviation grants and establishing accountability, ownership and on-going maintenance responsibility for each of the schemes.</p>	<p>Given the findings of the audit, recommendations have been made in relation to establishing a robust mechanism for monitoring the flood alleviation grants and establishing accountability, ownership and on-going maintenance responsibility for each of the schemes.</p>
---	---

---

**E= Essential** – Necessary due to statutory obligation, legal requirement, Council policy or major risk of loss or damage to Council assets, information or reputation. Where possible it should be addressed as a matter of urgency.

**N= Necessary** - Could cause limited loss of assets or information or adverse publicity or embarrassment. Necessary for sound internal control and confidence in the system to exist and should be pursued in the short term, ideally within 6 months.