

Somerset Rivers Authority (SRA) Board Paper

South West Audit Partnership Report

RECOMMENDATIONS

The Somerset Rivers Authority (SRA) Board is asked to:

1. Review and comment on the South West Audit Partnership Report.

Purpose of the item

To share the results of an audit to evaluate the controls and governance for allocating and monitoring grants, ensuring robust financial management and accountability within Somerset Rivers Authority (SRA).

Background and context

As part of Somerset Council's normal auditing process the SRA, as we are hosted by Somerset Council, was selected for audit in July 2024. The audit process completed in December 2024 when the final report was issued.

Current Status

The executive summary stated 'the review highlighted a generally sound system of governance, risk management and control in place. We identified some issues, non-compliance or scope for improvement which may put at risk the achievement of objectives'.

The audit report makes four recommendations for Management Actions. Three were graded as 'priority 2' actions and one as 'priority 3'. Full details are in the report in Appendix 1.

Actions have already been taken, or are underway, to address the findings.

Finding 1: Detailed flow charts and procedures and guidelines have been, or are being, prepared for the Main Grant Process and Community Flood Action Fund. Existing performance monitoring framework to be reviewed and updated.

Finding 2: Discussions are underway with Somerset Council colleagues to establish accurate estimates of interest accrued. Somerset Council has initiated work to understand the apportionment costs of employing and hosting staff. Once this information is available a discussion can take place on the balance of hosting costs to Somerset Council compared to the amount of interest accrued on SRA funds.

Finding 3: Limited actions are proposed. The auditor finding was based upon an incomplete understanding of the role of the core SRA partnership team, with the auditors suggesting this team should provide technical oversight of SRA-funded projects. The SRA team has a robust process for monitoring of grant spending and checking that projects align with grant agreements, but it does not provide technical oversight, as this is the responsibility of grant recipients.

Finding 4: Grant agreements will be reviewed and updated as recommended.

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Date: 27 February 2025

Author: David Mitchell, Senior Manager, Somerset Rivers Authority