

**Donegal County Council**  
**Internal Audit Department**



**Comhairle Contae**  
**Dhún na nGall**  
**Donegal County Council**

**Final Report**

**IA 20/02 - COVID BUSINESS RESTART GRANT**

March, 2021

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## 1. EXECUTIVE SUMMARY

In May 2020 the Department of Enterprise Trade and Employment announced a number of financial supports to alleviate the impact of the Coronavirus on small businesses in Ireland. One of these measures, amongst others, was the provision of a Business Restart Grant for micro and small businesses totalling €250 million.

The aim of the Covid Business Restart Grant was to provide financial aid to smaller businesses impacted by COVID-19 by enabling them to address the costs incurred as a result of the lockdown and any cash flow issues they experienced. This support was delivered through the Finance Directorates of Local Authorities.

Given the timing, scale and emergency nature of the grant, [REDACTED] deemed it necessary that assurance be provided in relation to the processes, policies and procedures in place for the administration of the grant. As a result, Internal Audit was asked to conduct an audit on this area within DCC.

As of 31<sup>st</sup> January 2021, there have been over 4,500 payments to 2,214 separate businesses availing of the Covid Business Restart Grant and the Restart Grant Plus schemes with payments totalling €24,296,505.

The results of this audit and recommendations arising from its findings are contained herein.

## 2. ASSURANCE RATING

This Audit has been assigned an assurance rating of:

### **Level 2 – Adequate**

See **Appendix 2** for Classification of Audit Assurance.

There are generally adequate procedures and controls in place to ensure that the objectives of the Covid Business Restart Grant are achieved. Based on the conclusions reached in this audit, an assurance rating of 'Adequate' has been assigned based primarily on the following reasons:

1. The systems in place are ensuring that the objectives of the grant are being achieved
2. The control processes tested are, in general, being applied consistently
3. Some improvements are required to enhance the adequacy and/or effectiveness of risk management, control and governance

Most of the issues highlighted in this audit are caused by a lack of clarity in the regulations and processes set out by the Department of Enterprise, Trade and Employment.

In all, there were in excess of 240 clarifications set out by the Department after the original documentation was provided. Although some of this confusion was unavoidable given the tight timeframe and application turnaround times involved, it placed extra pressure on staff that already had an extensive workload.

### **3. INTRODUCTION & SCOPE**

The global economic crisis caused as a result of the COVID-19 pandemic meant the business sector across the world is facing unprecedented hardship and an uncertain future.

To help counteract these threats, in May 2020 the Irish Government under the auspices of the now Department of Enterprise Trade and Employment (DETE), agreed a suite of measures to support small, medium and larger business that had been negatively impacted by COVID-19. These measures included:

- A €2 billion Pandemic Stabilisation and Recovery Fund within the Ireland Strategic Investment Fund (ISIF) making capital available to medium and large enterprises on commercial terms
- A €2 billion COVID-19 Credit Guarantee Scheme to support lending to SMEs for terms ranging from 3 months to 6 years, which is below market interest rates
- The 'warehousing' of tax liabilities for a period of twelve months after recommencement of trading during which time there will be no debt enforcement action taken by Revenue and no interest charge accruing in respect of the warehoused debt
- The waiving of commercial rates for a three month period beginning 27th March 2020 for businesses that have been forced to close due to public health requirements

The announcement of the Grant was made by the then Minister for Business, Enterprise and Innovation, Heather Humphreys TD, who said at the time:

*"The Restart Grant is designed to help small businesses get back on their feet. The grant can be used to defray ongoing fixed costs, for replenishing stock and for measures needed to ensure employee and customer safety".*

The original amount available through the grant was €250m and it was based on a rates/waiver rebate from 2019; the value of the grant to each small business is between €2,000 and €10,000 depending on their commercial rates bill for the previous year.

As part of the Service Level Agreement for the Covid Business Restart Grant, Local Authorities were charged with administering the grant on behalf of the Department with the Income Collection Department of Donegal County Council being responsible for the processing of applications and payment of this grant within County Donegal.

The scope of this audit was to focus on the first tranche of funding made available to Small Businesses, (known as Restart One – RS1). However, after commencing the audit, a second tranche of funding was announced (the Restart Grant Plus Scheme - RGP). It was determined that the audit would continue to be carried out with specific interest in RS1 but would also take into account the changing nature of the grant and its overall financial support to small businesses.

Internal Audit is of the opinion that conducting the audit in this manner presents a clear and detailed picture of the amount of funding provided to small businesses as part of this initiative. If required, the second tranche of funding can be audited in more detail in full at a later date as part of further assurance of the Business Grant processes.

This audit examined the Covid Business Restart Grant from the application process through to payment of the actual grant under the following areas:

- Verification of compliance with the terms of the Scheme as set out in Department Circulars.
- Checking expenditure recorded on the Agresso Financial System to ensure that it is consistent with grant expenditure and within the timeframe allowed by the grant rules.
- Inspecting a sample of applications and payments made under the grant to ensure adherence to application and payment guidelines as set out by the Department.

#### **4. OBJECTIVE & METHODOLOGY**

The objective of this audit was to examine the procedures and controls in place for the operation of the Covid Business Restart Grant within the auspices of Donegal County Council and to:

- Provide reasonable assurance that the Restart Grant payments were undertaken in accordance with the conditions set out in the Departmental guidelines
- Identify any weaknesses in the overall process
- Make recommendations for improvement, if necessary

The audit was approached as follows:

- Discussions with relevant Staff
- Completion of a Questionnaire
- Examination of Grant applications
- Examination of Agresso Financial System records

#### **5. LEGISLATION/GUIDANCE**

- Roadmap for Reopening Society and Business – Government of Ireland
- Coronavirus COVID-19 National Programme – “Reopening Business Getting Ireland Back to Work Safely”

- Circular Fin 06/2020 – “Commercial rates alleviation measures relating to COVID-19 restrictions” – Department of Housing, Planning and Local Government
- COVID-19 Business Restart Grant Standard Operating Procedures Version 1.1
- Circular Fin 08/2020 – “Accounting Treatment of ReStart Grant” - Department of Housing, Planning and Local Government
- Circular Fin 09/2020 - “Accounting Treatment of ReStart Grant 02510100(Income)” – Department of Housing, Planning and Local Government
- Service Level Agreement, May 2020 - Department of Business, Enterprise and Innovation, Department of Housing, Planning and Local Government, Donegal County Council and Enterprise Ireland

It should be noted that Internal Audit found no evidence of formal legislation for the COVID-19 Business Restart Grant; this was underpinned by confirmation from administrative staff that they had received no written communication of legislation from the Department of Enterprise, Trade and Employment.

### **5.1 Service Level Agreement (SLA)**

The Service Level Agreement between the then Department of Business, Enterprise and Innovation, the Department of Housing, Planning and Local Government, Donegal County Council and Enterprise Ireland came into effect on 22<sup>nd</sup> May, 2020.

The SLA relates to the delivery, funding and oversight of the Covid Restart Grant. Donegal County Council’s role in the Agreement is to manage, within its area, the processing of applications and grant payments according to the criteria of the grant. DCC must also report to the County and City Management Association (CCMA) and Local Government Management Agency (LGMA) as part of the oversight process.

### **5.2 Policies and Procedures**

In order to qualify for the Covid Business Restart Grant, a business must meet the following criteria:

- Must be a commercially rateable business
- Have an annual turnover of less than €5m and employ between 1 to 50 people
- Have closed and/or suffered a projected 25% or more loss in turnover to end of June 2020
- Commit to remain open or to reopen if it was closed
- Declare the intention to retaining employees that are on the Temporary Wage Subsidy Scheme (TWSS) and to re-employ staff on the Pandemic Unemployment Payment (PUP) where applicable

The grant is equivalent to the rates bill of the business in 2019 with a minimum payment of €2,000 and a maximum payment of €10,000. It should be noted that businesses that have not paid their 2019 rates bill or whose rates are in arrears were still eligible to apply for the grant.

The grant could be used to defray ongoing fixed costs, for replenishing stock and for measures needed to ensure employee and customer safety. The application form for the grant was available through the Donegal County Council website at the following link: <https://restartgrant.donegalcoco.ie>

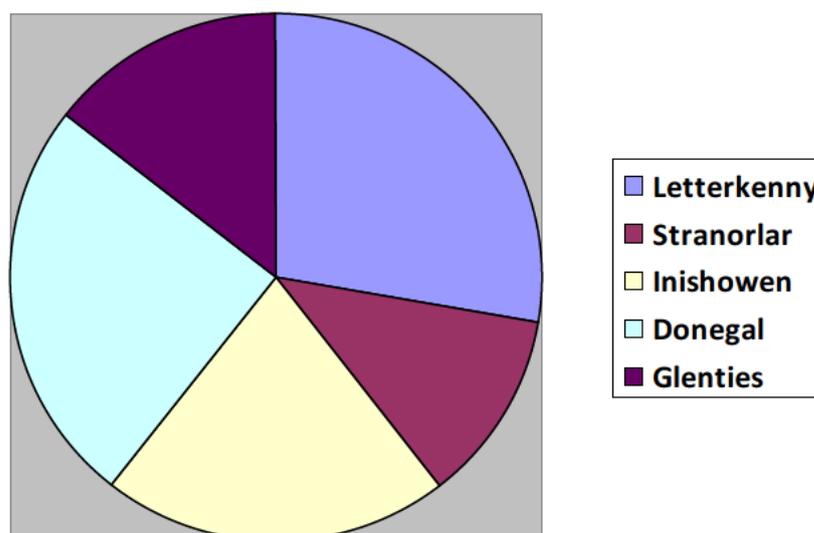
## 6. FINDINGS

In order to assess the Covid Business Restart Grant process in its entirety, it was necessary to look at the application, administration and payment processes individually.

### 6.1 Statistical Analysis

#### 6.1.1 Covid Business Restart Grant applications received

MD	No. of applications (As at 31/08/2020)	Percentage of overall applications
Letterkenny	537	27.8%
Stranorlar	228	11.8%
Inishowen	406	21%
Donegal	483	25%
Glenties	281	14.4%
<b>Total</b>	<b>1,935</b>	



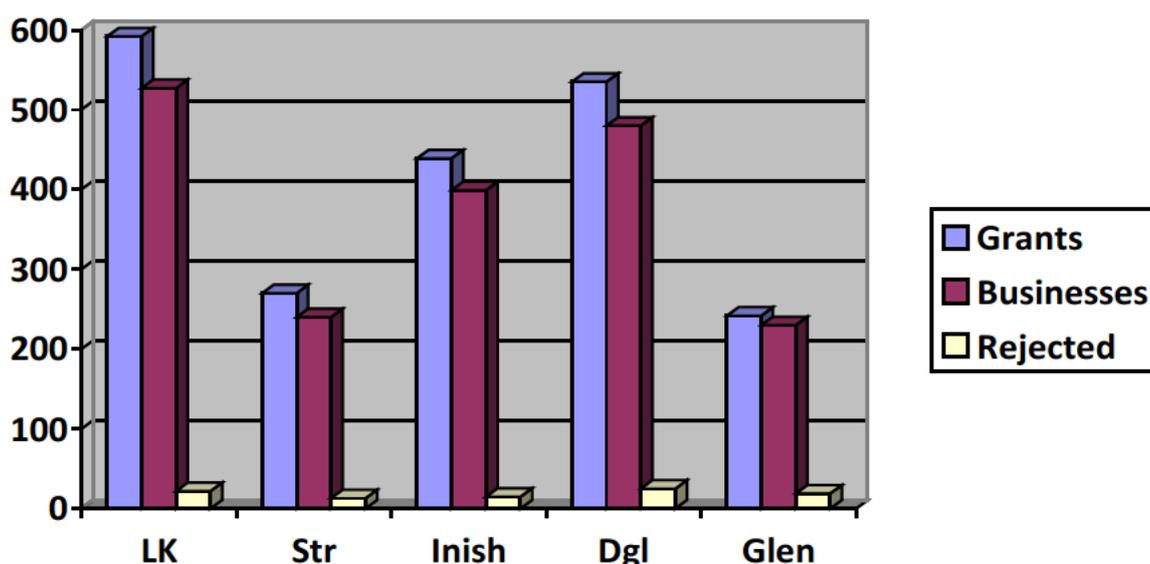
It should be noted that a total of 64 applications were entered on the CRM system without the relevant Revenue Collection Area or Revenue Collector details. Their address details were confirmed by cross-checking their Rates no. and/or partial name/address; in most cases their details were rectified for the Restart Grant Plus Scheme.

### 6.1.2 Grant Payments

Out of the applications received for the first tranche of Covid Restart Grants, there was a total of 2,078 grant payments made to 1,876 different businesses; the value of these payments was **€7,142,935.26** as at 31<sup>st</sup> January 2021 (this date was selected in order to include outstanding payments which may have been delayed for payment in January).

#### **Grant Totals per Municipal District (as at 31/01/2021)**

MD	Grants by MD	Businesses by MD	Rejected	Grant Amt Paid (€)	Average Grant Amt per Business (€)
Letterkenny	592	527	22	2,290,480.88	4,346.26
Stranorlar	270	240	13	835,754.16	3,482.31
Inishowen	439	399	15	1,439,012.74	3,606.55
Donegal	535	480	25	1,781,586.73	3,711.64
Glenties	242	230	19	796,100.75	3,461.31
<b>Totals</b>	<b>2,078</b>	<b>1,876</b>	<b>94</b>	<b>7,142,935.26</b>	<b>3,807.53</b>



**Grant Payments by Month**

<b>Period</b>	<b>No. of Payments</b>	<b>Total (€)</b>
June 2020	602	2,349,798.91
July 2020	694	2,490,384.73
August 2020	236	727,404.56
September 2020	85	258,622.67
October 2020	67	202,860.60
November 2020	353	*1,003,914.12
December 2020	38	101,384.80
January 2021	3	8,564.87
<b>Total</b>	<b>2,078</b>	<b>7,142,935.26</b>

\*This figure contains a large amount of grants which were initially rejected but were then processed after being appealed and submitted with additional information (as required).

From these findings it is evident that the majority of Commercial Rates paying customers in Donegal availed of the Covid Business Restart grant and received financial support in 2020.

**Note: Restart Grant Plus had a minimum base grant of €4,000 to a max of €25,000. Internal Audit has endeavored to exclude these applications in this audit by limiting grant applications to €10,000 and below. However, given the changing deadlines a minimal amount of these grant applications may be included in the final figures.**

## **6.2 Administration**

In order to qualify for the Covid Restart Business Grant, the applicant must complete the application process which is divided into four separate stages:

- Registration & Application
- Verification
- Processing
- Payment

Applications for the Covid Business Restart Grant were open from 22<sup>nd</sup> May, 2020 with the closing date for this first tranche of funding being 31<sup>st</sup> August 2020.

The grant is administered by the Finance Directorate and Income Collection Unit in Donegal County Council. There are 13 Income Collection Staff and 4 Finance staff involved in the administration process.

### **6.2.1 Registration & Application**

In order to apply for the Covid Business Grant, the applicant must register on the Donegal County Council website (<http://www.donegalcoco.ie/restartgrantscheme/>). The applicant registers by entering their rate number, a valid email address and choosing a password; after registering their details they can download the application form.

Once the application form is completed by the applicant, it is submitted to DCC along with the following documentation/information:

- Tax reference number
- Bank Header

Further information may be requested by the Revenue Collector for the appropriate Municipal District but this is on a case by case basis.

### **6.2.2 Verification Process**

When an application is received in the Income Collection Unit, all relevant customer information is uploaded to the CRM system. In the early stages of the scheme a separate spreadsheet was also kept to record this information. The following verification checks are then carried out by administrative staff:

- The customer number is verified on the Agresso system
- The Rate/LAID no is verified on Agresso
- The Customer's bank header details are checked using the details previously uploaded to the Softco system
- Relevant comments are added

If any issues are identified at this point, staff contact the relevant customer.

Once the details have been verified for all applications, the worksheet is issued to Revenue Collectors who carry out the following verifications:

- The customer is in their revenue collection area
- The business premises was open prior to the Covid-19 lockdown
- That the business does not fall into one of the following excluded categories:
  - Multiple chain stores, i.e. a business that is a non-financially independent branch of a group of chain stores which is owned and managed by a single entity

- Non-commercial organisations such as community and sporting premises (including charity shops and community and sporting premises with a bar)
- Businesses that do not operate from commercially rateable premises (tradesmen, service providers, etc)
- That (to the best of their knowledge) the business has a turnover of less than €5m and have 50 or fewer employees - Turnover figures and profit & loss figures are checked at a macro level.
- That the figure quoted on the application form equates to a projected 25%+ loss in revenue to 30th June 2020.
- The business category is correct.
- That the customer is a commercially rateable business and verify that the amount of rates levied for 2019 on the CRM system is correct.

It should be noted that under the Restart Grant Plus scheme the following changes were made to the qualifying criteria:

- The business can have up to 250 employees
- The business has a turnover of less than €100k per employee to a maximum of €25m
- Applicants must have suffered a 25%+ loss in turnover between 1<sup>st</sup> April and 30<sup>th</sup> June 2020
- Applicants been trading prior to the COVID-19 emergency
- The business must commit to remain open or reopen if closed and intend to retain employees that are on the Temporary Wage Subsidy Scheme (TWSS)
- Charity shops and commercial sporting business can now apply

Revenue Collectors are permitted to check company details online using websites such as Visionnet in order to confirm details such as tax information and income.

It should be noted that under the regulations set out by the Department of Enterprise, Trade and Employment, Revenue Collectors were not obligated to check the turnover figures for applicants.

The DETE advised that as the applicant had completed a statutory declaration as part of their application, it was to be assumed that all data put forward was correct.

### **6.2.3 Grant Processing**

The grant due to the applicant is then calculated and data included on the spreadsheet. If the rate demand was less than €2,000 in 2019 the grant payable will be the minimum amount of €2,000. If the rate demand was more than €2,000 the grant payable will be equal to the 2019 rates levied e.g. if 2019 rates were €4,850 then the grant payable is €4,850. The amount payable is capped at €10,000 maximum for the Business Restart Grant. In relation to Restart Grant Plus, the minimum grant payable is €4,000 and the maximum is €25,000.

If the business has multiple properties, the customer is required to submit an application per Rate (LAID) number. If the LAIDS are located within the same building or adjacent to each other, the grant for multiple LAIDS can be processed under the one application.

The customer is then contacted by phone and verifies that:

1. An application has been submitted
2. Bank details have been submitted
3. Their bank statement details have been uploaded

The Revenue Collector then verifies that the customer is a commercially rateable business and insert the 2019 Rates levied (if applicable).

It should be noted that in some cases, a Rate Demand may not have issued in instances where the customer had moved into a new property recently, or if the property is not yet valued.

In other cases a LAID may be occupied by a customer, but has yet to be transferred to the correct customer. In all cases it is the customer who currently occupies the LAID that is entitled to the grant. Relevant comments are added to the "Revenue Collector" field on the CRM; the status is changed to "Grant Recommended" and assigned to administrative staff for final validation.

Grants at this stage are then reviewed by central staff in Lifford who recheck the calculation and other details as necessary (e.g. 2019 rates levied figure, LAID etc) and move the status to "Grant Approved" on CRM.

The [REDACTED] in the Income Collection Unit then runs a weekly report to pick up on Grants at the "approved" stage and cross references this with the existing supplier list to ensure they can be put forward for payment and also performs a range of other checks.

#### **6.2.4 Payments**

A Chief Executive's Order for upcoming payments is then prepared by [REDACTED] in Finance and the Payment process begins.

Once [REDACTED] has completed their checks, a bulk bank file/batch payment load sheet is completed and sent to Finance for further checks. When these checks are completed, the load sheet is forwarded to the next stage i.e. payment on the Agresso system.

Payments are made to the applicant by Electronic Funds Transfer (EFT) and normally transfer to the relevant bank account on a Friday.

### 6.3 Sample Applications

In order to conduct a detailed analysis of grant applications, a sample of 50 separate approved applications divided equally amongst the 5 Municipal Districts was selected.

From the sample applications the following points were noted:

- Three applicants did not provide turnover details for 2019

**Response from Income Collection:**

*"It must be noted that all applications under The Restart Grant Scheme were made on a self-declaration basis by the applicant. Queries in relation to turnover and figures were followed up by Collection staff as and when required. If information had been submitted on the form and signed off by the applicant as part of the self-declaration process under the scheme rules this had to be accepted".*

- A further applicant was unable to provide turnover details as their accounts were unaudited/abridged and there was no Trading/Profit & Loss account available
- There was no record of the rates figure paid in 2019 for two applicants

**Response from Income Collection:**

*"The Rates figure paid in 2019 was not a determining factor in the calculation of the grant, but the rates figure levied was".*

- There was no company details available on the Visionet system for one applicant
- One applicant was subject to a 60% rates write off the previous year

**Response from Income Collection:**

*"Previous customer history including payment record or write offs awarded could not be considered in determining if an applicant met the qualifying criteria or not".*

- One applicant is also registered as a UK company

**Response from Income Collection:**

*"A company which was registered in the UK did not deem it ineligible for the grant".*

- One applicant was leasing a business, the owner had also applied for the grant under a different business name
- One sporting organisation was approved for payment despite other similar applications being refused under the guidelines

**Response from Income Collection:**

*"This is due to be paid under Restart Grant Plus which allowed sporting bodies to apply (grant approved but not paid as yet)"*

Response noted by Internal Audit

- From a cursory check conducted by IA on company registration websites, at least one applicant had a turnover of greater than €5m

A sample of rejected applications were also examined in order to ascertain whether the guidelines for rejecting invalid grant applications were also adhered to during the application process.

From the applications that were examined, the following issues were noted:

- Three applications were rejected as duplicates
- Two applications did not meet the requirements in relation to turnover
- Two applications had issues in relation to the company premises

## **6.4 Appeals process**

### **6.4.1 Application refusal appeals**

Refused applicants are notified by email. If a business wishes to appeal their application being rejected they must appeal by email to Donegal County Council using the designated email address ([restartappeal@donegalcoco.ie](mailto:restartappeal@donegalcoco.ie)) within 7 days of their application being rejected. Their appeal is then reviewed by ██████████ in conjunction with the Revenue Collector for the relevant area. A decision on the appeal issues as soon as possible, but generally within 2 weeks of receipt.

### **6.4.2 Other appeals**

As stated earlier in this report the Business Restart Grant (Restart 1) deadline closed prematurely on July 22<sup>nd</sup>, 2020. Approximately 3-4 weeks later DCC was advised that the Department of Enterprise, Trade and Employment were considering reopening applications by way of an appeals system.

As the criteria for qualifying for the grant were also amended for the Restart Grant Plus (RGP) scheme, the process for appeals has now been set out by the DETE:

1. An appeal on the issue of the early closing date should be made via the local authority in the first instance.
2. An acknowledgement/explanation should issue from the LA indicating that its appeal will be considered by the LA and DETE. This Appeal document will also be available on the LGMA Extranet.
3. The LA should record all related **eligible** appeals on this matter and submit details to the LGMA to include:
  - (i) Total number of appeals

- (ii) Total amount of payments due for appellants each Friday as part of the stats chart.
4. All eligible applicants who submitted an appeal should be requested to complete the RG1 Application form using the criteria for the RG1 scheme and to return to the L.A. by email.
  5. The LGMA will collate the total number/amount of appeals and submit summary information to the DETE with the weekly statistics each Friday.
  6. The processing of approved appeals is likely to be manual within the various systems in place. Checks need to be made on the various possibilities that might occur for the applicant:
    - a. Is the applicant eligible for RG1 and RGP?
    - b. If already paid a RGP how much should they be paid for RG1 especially if above €15K?
    - c. Applicant might be entitled to RG1 but not RGP as may fail on employee turnover.
    - d. Applicant may not be eligible for RGP but not RG1

Any payment of appeals is subject to available funds in the Restart Grants budget.

The [REDACTED] Debtors Management confirmed that as per a specific request from DETE, all customers who made an application under Restart Grant Plus were contacted by email and advised that they may have also been eligible under Restart 1. These customers were also advised that if they wished to appeal they needed to do so by October 31<sup>st</sup> 2020. It should also be noted that many Revenue Collectors had already followed up directly with customers in their area in advance of the issue of this "blanket" email.

## **6.5 Data Protection**

Donegal County Council's "Privacy Statement" is published on the Council website and outlines the current policy in relation to the obtaining and sharing of information provided by the general public. The Statement also outlines how this information is retained under the guidance of the "National Records Retention Policy".

Under Income Collection guidelines, DCC are permitted to obtain and assess financial information from Rates Customers. This information includes tax information and financial accounts which can be used to ascertain both projected and confirmed turnover in this instance.

The collection and retention of data for the Covid Business Restart Grant falls under the remit of DCC's "Data Protection Policy (2013)", in particular the following extracts from Rules 2 and 4 of the policy:

### Rule 2:

"Donegal County Council will keep data for purposes that are specific, lawful and clearly stated and the data will only be processed in a manner compatible with these purposes".

Rule 4:

"Donegal County Council will take appropriate security measures against unauthorised access to, or alteration, disclosure or destruction of the data and against their accidental loss or destruction".

## **7. CONCLUSIONS & RECOMMENDATIONS**

### **7.1 Legislation and Guidance**

#### **Conclusion**

Due to the financial pressure placed on businesses during the Coronavirus lockdown and the unprecedented emergency nature of the financial supports required, the policies and procedures for the roll out of the Restart Grant were put in place in a relatively short timeframe.

The scheme would have benefitted from clear, concise legislation and guidelines in how the Covid Business Restart Grant was to be administered and processed by Local Authorities.

Guidelines were also frequently changed as the application process progressed; this meant that submission deadlines and other information changed providing obstacles for Revenue Collectors and administrative staff in carrying out their duties in relation to the grant.

Anecdotal evidence from staff involved in the administration of the grant suggests that staff felt added pressure from a departmental level to ensure grant applications were processed in a timely manner and this issue was compounded by the lack of information provided by the Department of Enterprise, Trade and Employment.

#### **Recommendation**

It is acknowledged that a primary objective of the Business Restart Grant was to provide financial aid to smaller businesses in a timely manner during this crisis. It also acknowledged that the drafting and execution of legislation falls outside the authority of Internal Audit within Donegal County Council.

However, Internal Audit recommends that it would be more beneficial to have improved legislative and regulatory guidance provided by Government Departments for initiatives like the Restart Grant.

This information should be communicated to relevant staff as necessary. This is extremely relevant during times of fiscal crisis such as the Covid-19 pandemic where emergency measures are being implemented in a relatively short space of time.

**Comment from Internal Audit:**

As evidenced by the findings in this audit it may be beneficial for each Directorate within Donegal County Council to compile a central repository of all relevant regulations, circulars and other relevant procedural documents which can be readily accessed by staff as necessary. Internal Audit recommends a consultation process between all Directorates with a view to implementing such a system.

**7.2 Registration & Application****Conclusion**

The guidelines for applying for the Covid Business Restart Grant are clearly set out on the Donegal County Council website. Applicants must ensure their adherence to the criteria and submit relevant supporting documentation. From the applications that were received following the announcement of the Grant, over 100 applications were rejected as ineligible by the initial closing date of 31<sup>st</sup> August, 2020.

**Recommendation**

It is recommended that a guidance document is prepared by the Income Collection unit and provided to any potential applicants in addition to the information that is available on the DCC website.

**7.3 Verification Process****Conclusion**

After grant applications were initially received and processed, the task of assessing applications was carried out by the Revenue Collectors for each Municipal District.

From the sample applications that were assessed by Internal Audit, it was apparent that there were three primary issues which inhibited the verification process and slowed down grant payments in some instances:

1. The limited timeframe for applications to be processed placing time pressures on the Revenue Collectors to ensure the applications are processed as quickly as possible.
2. There was a lack of guidance in the legislation as to how applications were to be assessed.
3. Applicants submitting either insufficient or incorrect information in relation to the grant criteria.

The lack of guidance in the legislation has been highlighted under point 5.1 "Legislation and Guidance" where there is evidence that some of the application criteria is not clearly defined in the policies and procedures.

Although some of these criteria have been questioned by some Local Authorities, the responses received from the Restart Grant Working Group are still open to interpretation. For instance, the criteria state that multi-chain stores are not eligible for the grant.

However, the Working Group confirmed that businesses that have a small number of outlets that are rated separately can apply for separate grants and that multiple chains extend beyond a small number of outlets. This "small number" has not been categorically defined and is therefore open to interpretation.

From examining applications that were approved and paid, there is evidence of what appears to be larger multi-chain stores receiving the grant in Donegal. However, without clear and transparent Departmental guidelines, it is not possible to determine whether or not these applicants should have received the grant.

**Response from**

*"Further advice on this matter from DETE was that a franchisee which is a financially independent company and completely separate to the franchisor is eligible. This may have been the case with these applications".*

**Recommendation**

While it is regrettable that more definitive information was not made available to staff by the Department of Enterprise, Trade and Employment, it is somewhat understandable given the emergency nature of the payment involved and the short timeframe for processing applications.

However, Internal Audit deems it appropriate to recommend that both DCC and the DETE engage in a "lessons learned" process and utilise information obtained from the Restart Grant process to help improve administration of the "Restart Grant Plus" Grant and potential future supports.

This will help to ensure that, in future instances, all stakeholders are provided with concise, up to date information at the outset in relation to the processing and payment of "emergency type" supports.

A further audit on the Restart Grant Plus Scheme will underpin these findings and help ensure that Revenue Collectors and other relevant staff are properly equipped to properly assess grant applications and provide accurate information in their engagement with businesses. It would also help ensure applicants include the correct information with their applications.

**Response from Debtors Management:**

*"[Where] the "larger multi chain stores" are being paid [...] customer references would be useful to check."*

Response noted by Internal Audit

It is also recommended that DCC regularly consults with the Working Group put in place to deal with Local Authority queries to deal with their specific queries in relation to the grant.

## **7.4 Appeals Process**

### **Conclusion**

Under the Covid Business Restart Grant guidelines applicants can appeal their rejected application by submitting an appeal in writing to DCC which is then reviewed by the [REDACTED]

Under the new Restart Plus guidelines, as of September 2020, all Local Authorities must compile a list of all appeals and submit details to the Department of Enterprise, Trade and Employment in relation to the amount of appeals and the amount of the monetary value of these appeals for statistics purposes.

### **Recommendation**

The email inbox for appeals should be monitored on a daily basis by administrative staff and only valid appeals should be forwarded to the Area Manager for further consideration, this would help speed up the appeals process and improve efficiencies.

**Response from [REDACTED]**

*"I can confirm that this Inbox is monitored daily by myself [REDACTED] and I either respond to appeals directly if I have all of the required information to hand, or contact the customer for further clarification/information or contact the relevant collector".*

Response noted by Internal Audit.

### **Acknowledgement**

I would like to acknowledge the assistance and co-operation of staff from Debtors Management and Finance during the course of this Audit. Their prompt response to queries throughout the audit process was invaluable to ensuring this final report was completed in a timely manner.

This was especially appreciated by the Internal Audit Unit given the extra workload Debtors Management had to deal with during the course of the Covid Business Restart Grant process.

*Sean Canning*

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**Sean Canning,  
A/INTERNAL AUDITOR**

**Appendix 1 – Circulation List**

**26/03/2021**

**Final Report sent to:**

[REDACTED]

**Copied to:**

[REDACTED]

**29/10/2020**

**Draft Report sent to:**

[REDACTED]

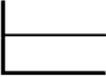
**Copied to:**

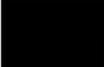
[REDACTED]

## Appendix 2 – Audit Classification

Level	Definition
1. Substantial	Evaluation Opinion: - There is a robust system of risk management, control and governance - The systems in place should ensure that objectives are fully achieved - The control processes tested are being applied consistently
2. Adequate	Evaluation Opinion: - There is a generally adequate system of risk management, control and governance - The systems in place should ensure that essential objectives are fully achieved - The control processes tested are, in general, being applied consistently - However, there are some weaknesses in control that are placing some objectives at risk. There is a risk that some objectives may not be fully achieved - Some improvements are required to enhance the adequacy and/or effectiveness of risk management, control and governance
3. Limited	Evaluation Opinion: - There is a weak system of risk management, control and governance - There is considerable risk that objectives will not be achieved - The control processes that exist are not being applied consistently - There are some significant weaknesses in control in a number of areas - Prompt action is required to improve the adequacy and effectiveness of risk management, control and governance
4. Unsatisfactory	Evaluation Opinion: - There is an inadequate system of risk management, control and governance - The system has failed or there is a real and substantial risk that the system will fail to meet its objectives - Systems/processes are open to significant error or abuse - Urgent action is required to improve the adequacy and effectiveness of risk management, control and governance
5. No Assurance	Evaluation Opinion: - Internal Audit has been unable to form an opinion on the system of risk management, control and governance - Internal Audit has been unable to access or has been prevented from accessing essential information required to form an opinion - Internal Audit has not received the cooperation of staff/management

### Appendix 3 – IA20-02 – COVID Business Restart Grant – Summary Recommendations

	<b><i>Material Issues Identified</i></b>	<b><i>Actions Undertaken or to be undertaken</i></b>	<b><i>Timeline</i></b>	<b><i>Responsible Director &amp; Service</i></b>
1	<p><b><u>Legislation and Guidance</u></b></p> <p>Internal Audit recommends improved legislative and regulatory guidance to be sourced from Government Departments for initiatives like the Restart Grant. This information should be communicated to relevant staff as necessary.</p>	<p>The Internal Auditor's comments are noted. An essential objective of the Restart Grants Schemes was to provide eligible businesses with funds quickly in a time-critical environment. The relevant legislative/regulatory guidance was not as comprehensive as it would otherwise be for grant schemes that are more planned, structured and tested. Throughout the process of assessing and paying grants, staff consulted the available guidance, which was updated frequently as issues arose.</p>	<p>Repository of clarifications, guidance, and advices in place – scheme has closed</p>	
2	<p><b><u>Registration &amp; Application</u></b></p> <p>A guidance document is prepared by the Income Collection unit and provided to any potential applicants in addition to the information that is available on the DCC website.</p>	<p>See above – relevant information was provided online and using other media during the period the grant scheme was live. The guidance evolved throughout the process. There was significant interaction between grant applicants and income collection staff as the grant scheme was rolled out.</p>	<p>Scheme has now closed</p>	

3	<p><b><u>Verification Process</u></b></p> <p>It is recommended that both DCC and the DETE engage in a "lessons learned" process.</p> <p>It is also recommended that DCC regularly consults with the Working Group put in place to deal with Local Authority queries to deal with their specific queries in relation to the grant.</p>	<p>The Internal Auditor's comments are noted. See previous responses for additional context. The local government sector worked closely with the relevant government departments throughout the grants schemes processes. Whilst acknowledging the evolving nature of the scheme and the challenges that presented, it is considered that the grants scheme achieved its objectives.</p>	<p>Scheme has now closed</p>	
4	<p><b><u>Appeals Process</u></b></p> <p>The email inbox for appeals should be monitored on a daily basis by administrative staff and only valid appeals should be forwarded to the Area Manager for further consideration, this would help speed up the appeals process and improve efficiencies.</p>	<p>This Inbox was monitored daily by _____ who either responded to appeals directly (if all of the required information was to hand), contacts the applicant for further clarification/information or requests that one of the Income Collection team follow up directly with the applicant.</p>	<p>Scheme has now closed</p>	

**Appendix 4 - Processed Grants Sample**

<b>Rates No.</b>	<b>Municipal District</b>	<b>Approved Date</b>	<b>Amount €</b>
██████████	Letterkenny	11/06/20	10,000
██████████	Letterkenny	16/07/20	3,039.72
██████████	Letterkenny	18/06/20	2,154.30
██████████	Letterkenny	11/06/20	3,191.24
██████████	Letterkenny	11/06/20	8,473.58
██████████	Letterkenny	11/06/20	5,744.80
██████████	Letterkenny	11/06/20	2,000
██████████	Letterkenny	26/06/20	2,000
██████████	Letterkenny	18/06/20	6,175.66
██████████	Letterkenny	13/07/20	2,311.56
██████████	Stranorlar	16/07/20	10,000
██████████	Stranorlar	16/07/20	2,000
██████████	Stranorlar	11/06/20	10,000
██████████	Stranorlar	13/07/20	2,000
██████████	Stranorlar	26/06/20	10,000
██████████	Stranorlar	18/06/20	2,728.78
██████████	Stranorlar	26/06/20	2,000
██████████	Stranorlar	11/06/20	9,442.30
██████████			
██████████	Stranorlar	11/06/20	4,559.22
██████████	Stranorlar	11/06/20	10,000
██████████	Inishowen	11/06/20	10,000



██████████	Glentias	11/06/20	7,021.58
██████████	Glentias	07/07/20	10,000
██████████	Glentias	18/06/20	10,000
██████████	Glentias	11/06/20	10,000
██████████	Glentias	11/06/20	2,000
██████████	Glentias	11/06/20	5,026.70
██████████	Glentias	11/06/20	10,000
██████████	Glentias	11/06/20	6,258.24
██████████	Glentias	17/06/20	5385.75

**Appendix 5 - Rejected Applications Sample**

<b>Rate ID</b>	<b>Municipal District</b>	<b>Date Submitted</b>	<b>Reason for Rejection</b>
██████████	Letterkenny	07/06/20	Duplicate application
██████████	Letterkenny	05/06/20	Duplicate application
██████████ ██████████	Stranorlar	19/06/20 03/07/20	Turnover exceeded €5m
██████████	Stranorlar	09/07/20	Refused as turnover loss in as 5%
██████████	Inishowen	11/06/20	Duplicate application
██████████	Inishowen	22/05/20	Sporting organisation
██████████	Donegal	05/06/20	Property is vacant
██████████	Donegal	19/06/20	Business under new ownership and will no longer trade from property
██████████ ██████████	Glenties	03/06/20	6 x LAIDs in total for customer and payment spread across 4 x LAIDs
██████████	Glenties	21/06/20	Property vacant prior to March 2020 (appeal received)