
Meeting	Audit Committee
Date	28 January 2014
Subject	Grants Certification Work Report 2012/2013
Report of	Deputy Chief Operating Officer
Summary	To consider the report from the External Auditors on the Council's management arrangements in respect of the certification process for grants
Officer Contributors	Paul Thorogood – Head of Finance, Financial Services
Status (public or exempt)	Public
Wards affected	Not applicable
Key decision	No
Enclosures	Appendix A – Certification Work Report 2012/2013
For decision by	Audit Committee
Function of	Council
Reason for urgency / exemption from call-in	Not applicable
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1. RECOMMENDATIONS

1.1 That the content of the report are noted.

1.2 That the matters raised by the External Auditors relating to the grants submission and certification process be noted.

1.3 That the Committee consider whether there are any areas on which they require additional information.

2. RELEVANT PREVIOUS DECISIONS

2.1 Audit Committee 10 December 2012 (Grants Report 2011/2012)

3. CORPORATE PRIORITIES AND POLICY CONSIDERATIONS

3.1 The Grants Report addresses fundamental aspects of management arrangements in Barnet that relate to the Council's 'Better Services with Less Money' corporate priority.

4. RISK MANAGEMENT ISSUES

4.1 The Grants Certification Work Report summarises Grant Thornton's overall assessment of the Council's management arrangements in respect of the certification process of grant claims, however it also draws attention to significant matters in relation to individual claims. Failure to address these matters can place at risk the receipt of external funding that the Council is entitled to and has budgeted for.

5. EQUALITIES AND DIVERSITY ISSUES

5.1 The Grants Certification Work Report covers the arrangements in place for securing grants across services within the authority. This in turn impacts on all members of the community.

6. USE OF RESOURCES IMPLICATIONS (Finance, Procurement, Performance and Value for Money, Staffing, ICT, Property, Sustainability)

6.1 The grants submission process is the final stage in the process for receiving external funds from third parties. As noted above, if there are weaknesses in the systems for monitoring and claiming monies, these funds could potentially be at risk.

7. LEGAL ISSUES

7.1 The recommendations of this report do not give rise to any specific legal issues.

8. CONSTITUTIONAL POWERS

8.1 Constitution Part 3, Section 2 details the functional of the Audit Committee including "to comment on the scope and depth of external audit work and to ensure it gives value for money.

9. BACKGROUND INFORMATION

- 9.1 The Council submitted five grant claims and returns to government departments and other bodies requiring external audit certification in 2012/2013, representing a claim value of £400m.
- 9.2 Under Audit Commission guidance, to provide assurance to the grant paying bodies, the Council's External Auditor reviews and certifies all claims in excess of £0.500m after verifying that all expenditure incurred by the Council qualifies under the terms and conditions of the grant. Grants under £0.125m do not have to be certified and only limited checks are required for grants between £0.125m and £0.500m.
- 9.3 Key messages from the External Auditors are as follows:
- All claims were submitted and certified within the required deadlines.
 - Of the five claims certified, three were issue free, one required a minor amendment and one required amendment and qualification
 - Supporting working papers were of a good quality, which helped to enable certification within the deadlines
- 9.4 The following performance is drawn to the attention of this Committee. It summarises the Council's performance against key certification performance targets and prior year's performance:

Performance Measure	Target	Performance 2012/2013	Performance 2011/2012
Number of claims	N/A	5	6
Claims submitted on time	100%	100%	100%
Claims certified on time	100%	100%	100%
Claims amended by the Auditor	0%	40%	67%
Claims qualified by the Auditor	0%	20%	17%

Table 1 – Council's performance against key certification performance targets and prior year's performance

- 9.4.1 Overall the Council's performance in preparing claims and returns is broadly consistent with 2011/2012.
- 9.4.2 In 2012/2013 the number of claims requiring amendment fell from 67% to 40%.
- 9.4.3 In 2012/2013 one claim was qualified, the Housing and Council Tax Benefit claim. It should be noted that this is a complex return and it is not unusual for this return to be subject to qualification. The return received an amendment of £0.093m on the £273.301m claim.
- 9.5 The grant fee for 2012/2013 was £40.8k compared to the 2011/2012 fee of £78.4k, which is in line with the 40% reduction applicable from 2012/2013.

10. LIST OF BACKGROUND PAPERS

10.1 None.

Cleared by Finance (Officer's initials)	PT
Cleared by Legal (Officer's initials)	CE