

	<h2>Audit Committee</h2> <h3>29<sup>h</sup> January 2015</h3>
<p style="text-align: center;"><b>Title</b></p>	<p><b>Grants Certification Work Report 2013/2014</b></p>
<p style="text-align: center;"><b>Report of</b></p>	<p>Chief Operating Officer and Director of Finance</p>
<p style="text-align: center;"><b>Wards</b></p>	<p>All</p>
<p style="text-align: center;"><b>Date added to Forward Plan</b></p>	<p>1 April 2013</p>
<p style="text-align: center;"><b>Status</b></p>	<p>Public</p>
<p style="text-align: center;"><b>Enclosures</b></p>	<p>Appendix A – Certification Work Report 2013/2014</p>
<p style="text-align: center;"><b>Officer Contact Details</b></p>	<p>Paul Thorogood – Assistant Director, CSG Finance Service  <a href="mailto:Paul.Thorogood@capita.co.uk">Paul.Thorogood@capita.co.uk</a></p>

<h2>Summary</h2>
<p>The purpose of the report is to consider the report from the External Auditors on the Council’s management arrangements in respect of the certification process for grants.</p> <p>The Council submitted two grant claims and returns to government departments and other bodies requiring external audit certification in 2013/2014, representing a claim value of £262m.</p> <p>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.</p> <p>Key messages from the External Auditors are as follows:</p> <ul style="list-style-type: none"> <li>• All claims were submitted and certified within the required deadlines.</li> <li>• Of the two claims certified, one was issue free and one required amendment and qualification</li> <li>• Supporting working papers were of a good quality, which helped to enable</li> </ul>

certification within the deadlines

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:

<b>Performance Measure</b>	<b>Target</b>	<b>Performance 2013/2014</b>	<b>Performance 2012/2013</b>
Number of claims	N/A	2	5
Claims submitted on time	100%	100%	100%
Claims certified on time	100%	100%	100%
Claims amended by the Auditor	0	1	2
Claims qualified by the Auditor	0	1	1

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

Overall the Council's performance in preparing claims and returns is broadly consistent with 2013/2014.

In 2013/2014 the total number of claims requiring certification fell from 5 to 2, the three claims no longer requiring certification are the National Domestic Rate return, The Teacher's Pension return and the Single Programme (RG31) return.

In 2013/2014 the number of claims requiring amendment fell from 2 to 1.

In 2013/2014 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 £0.006m on the £249.283m claim.

The grant fee for 2013/2014 was £31.6k

## **Recommendations**

- 1. That the Committee note the report.**
- 2. That the matters raised by the External Auditors relating to the grants submission and certification process are noted by the Committee**
- 3. That the Committee consider whether there are any areas on which they require additional information.**

## **1. WHY THIS REPORT IS NEEDED**

- 1.1 The Audit Commission's Code of Audit Practice requires auditors to prepare an annual Grant Certification report and issue it to each audited body.
- 1.2 The purpose is 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

## **2. REASONS FOR RECOMMENDATIONS**

- 2.1 So that the Council can consider the external auditor's certification report, be able to comment on the scope and depth of external audit work and to ensure it gives value for money.

## **3. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED**

- 3.1 None

## **4. POST DECISION IMPLEMENTATION**

- 4.1 None

## **5. IMPLICATIONS OF DECISION**

### **5.1 Corporate Priorities and Performance**

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

### **5.2 Resources (Finance & Value for Money, Procurement, Staffing, IT, Property, Sustainability)**

- 5.2.1 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.

### **5.3 Legal and Constitutional References**

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

5.3.2 The Council's Constitution, Responsibility for Functions - the functions of the Audit Committee are detailed and include "To consider the external auditor's annual letter, relevant reports and the report to those charged with governance" and "To consider specific reports as agreed with the external auditor."

#### 5.4 **Risk Management**

5.4.1 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.

#### 5.5 **Equalities and Diversity**

5.5.1 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.

#### 5.6 **Consultation and Engagement**

5.6.1 There are no consultations or engagements relevant to this report.

### 6. **BACKGROUND PAPERS**

6.1 None