

	<p>Audit Committee 28th January 2015</p>
<p style="text-align: right;">Title</p>	<p>Grants Certification Work Report 2014/2015</p>
<p style="text-align: right;">Report of</p>	<p>Chief Operating Officer and Director of Finance</p>
<p style="text-align: right;">Wards</p>	<p>All</p>
<p style="text-align: right;">Status</p>	<p>Public</p>
<p style="text-align: right;">Enclosures</p>	<p>Appendix A – Certification Work Report 2014/2015</p>
<p style="text-align: right;">Officer Contact Details</p>	<p>Paul Thorogood – Assistant Director, CSG Finance Service Paul.Thorogood@capita.co.uk</p>

<p>Summary</p>
<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 one grant claim and return to government departments and other bodies requiring external audit certification in 2014/2015, representing a claim value of £260.5m.</p> <p>Key messages from the External Auditors are as follows:</p> <ul style="list-style-type: none"> • The claim was submitted and certified within the required deadlines. • The claim was certified, requiring amendment and qualification. • The Council has appropriate arrangements to compile complete, accurate and timely claims/returns for audit certification. <p>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:</p>

Performance Measure	Target	Performance 2013/2014	Performance 2014/2015
Number of claims	N/A	2	1
Claims submitted on time	100%	100%	100%
Claims certified on time	100%	100%	100%
Claims amended by the Auditor	0	1	1
Claims qualified by the Auditor	0	1	1

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

In 2014/2015 the total number of claims requiring certification fell from 2 to 1, the claim no longer requiring certification is the Pooling of Housing Capital Receipts (CGB06).

In 2014/2015 the Housing and Council Tax Benefit claim was qualified. 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 £0.016m on the £260.538m claim.

The fee paid to the Auditors for certification work for 2014/2015 was £27.1k which is a reduction of £1.7k from 2013/14.

Recommendations

- 1. That the Committee note the report.**
- 2. That the matters raised by the External Auditors relating to the grant 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. The Local Audit and Accountability Act 2014 gave the Secretary of State power to transfer Audit Commission responsibilities to other bodies. Public Sector Audit Appointments (PSAA) have taken on the transitional responsibilities for Housing Benefit Count issued by the Audit Commission in February 2015.
- 1.2 The purpose is to provide assurance to the grant paying bodies. The Council's External Auditor review and certify the claims.

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**

None