
Meeting	Audit Committee
Date	10 December 2012
Subject	Grants Certification Work Report 2011/12
Report of	Deputy Chief Executive & Chief Finance 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	Maria Christofi, Assistant Director Financial Services Catherine Peters, Head of Finance, Closing & Monitoring
Status (public or exempt)	Public
Wards Affected	Not applicable
Key Decision	No
Reason for urgency / exemption from call-in	Not applicable
Function of	Council
Enclosures	Appendix A 0 Certification Work Report 2011/12
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1. RECOMMENDATIONS

- 1.1 That the matters raised by the External Auditors relating to the grants submission and certification process be noted.**
- 1.2 That the Officer response to the matters raised by the External Auditors be noted.**
- 1.3 That the Committee consider whether there are any areas on which they require additional information or action.**

2. RELEVANT PREVIOUS DECISIONS

- 2.1 Audit Committee 26 April 2012 (Grants Report 2010/11)

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, 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 & Value for Money, Staffing, IT, 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 issue(s).

8. CONSTITUTIONAL POWERS (Relevant section from the Constitution, Key/Non-Key Decision)

8.1 Constitution Part 3, Section 2 details the functions 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 6 grant claims and returns from government departments and other bodies requiring external audit certification in 2011/12, representing a claim value of £395 million.

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 £500,000 after verifying that all the expenditure incurred by the Council qualifies under the terms and conditions of the grant. Grants under £125,000 do not have to be certified and only limited checks are required for grants between £125,000 and £500,000.

9.3 Key messages from the External Auditors are as follows:

- All claims were submitted **on time** to audit and all claims were **certified within the required deadline**
- Overall the Council is performing well and there are no significant matters arising from our certification of claims and returns
- Supporting working papers for the majority of claims and returns were good, which enabled 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 2011/12	Performance 2010/11
Number of claims	N/A	6	10
Claims submitted on time	100%	100%	100%
Claims certified on time	100%	100%	100%
Claims amended by Auditor	0%	67%	60%
Claims qualified by Auditor	0%	17%	10%

9.4.1 Overall the Council’s performance in preparing claims and returns is broadly consistent with 2010/11.

9.4.2 In 2011/12 the number of claims requiring amendment fell but the proportion increased slightly due to the lower number of claims certified.

9.3.2 In 2011/12 one claim was qualified: the Housing and Council Tax Benefit Scheme return. The Housing and Council Tax Benefit Scheme return received a technical qualification based on an underpayment of £618. Grants can be qualified for £1 and there is no materiality threshold. The nature of the

qualification has not impacted on the value of the claim and the Council's performance in compiling the claim was stronger than last year.

9.4 The grant fee for 2011/12 was £78,434 compared to the 2010/11 fee of £93,653.

10. LIST OF BACKGROUND PAPERS

10.1 None.

Cleared by Finance (Officer's initials)	JH / MC
Cleared by Legal (Officer's initials)	SS