



Governance, Audit, Risk Management and Standards (GARMS) Committee

Title	Grant Certification Report
Date of Meeting	18 January 2024
Report of	Executive Director of Strategy and Resources
Wards	All
Status	Public
Urgent	No
Appendices	Appendix A – Housing Benefit Subsidy Claim certification 2021/22
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Summary

The purpose of the report is to update on the progress of the external auditors work in respect of the certification of grants.

BDO LLP (the council's external auditors) undertake the certification of both the Capital Receipts Pooling Return and the certification of the Teachers' Pension Fund Return.

The council has engaged KPMG LLP to complete the certification of the Housing Benefit Subsidy Claim.

Capital Receipts Pooling Return

The 2020/21 audit of this grant claim was completed, and an update given in the June 2022 Committee.

BDO have been engaged to audit the 2021/22 and 2022/23 returns. Work on these commenced in December 2023 and is expected to conclude in early 2024.

Housing Benefit Subsidy

The council engaged KPMG LLP to complete the 2021/22 certification of the Housing Benefit Subsidy Claim. The value of the claim for 2020/21 was £189.2m. The audit found that the council's processes for administering benefits and preparing the subsidy return are generally sound.

Two exceptions totalling £54 were identified within Non-HRA Rent Rebates initial testing, resulting in a further 40 random additional samples being tested. The additional samples identified no errors.

An observation which does not affect the subsidy was noticed under Local Housing Allowances (LHA), showing an understatement by £1,001 (0.0005% of the total claim).

KPMG LLP have also been engaged for 2022/23 which is expected to conclude in 2024.

Teachers' pension fund return certification.

S151 certification for the 2020/21 Teacher's Pension Scheme was completed in November 2022 and awaiting BDO certification. The plan for 2021/22 and 2022/23 certification to be included in future updates from BDO on the main audit plan for the respective years.

Recommendations

- 1. That the Committee note the completion of the certification of the Housing Benefit Subsidy for 2021/22.**
- 2. That the Committee note the progress on the 2021/22 & 2022/23 Capital Pooling Return, 2022/23 Housing Benefit Subsidy certification, and 2020/21 Teachers' Pensions Audit.**

1. Reasons for the Recommendations

- 1.1 Public Sector Audit Appointments (PSAA), who have been appointed by the Secretary of State to administer the national auditor appointment scheme, has a statutory duty to make arrangements for certification by the appointed auditor of the annual housing benefit subsidy claim. Government departments also require external assurance on two other grant claims and returns – the pooling of capital receipts return and the teachers' pensions return.
- 1.2 In order 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.

2. Alternative Options Considered and Not Recommended

- 2.1 None in the context of this report.

3. Post Decision Implementation

- 3.1 None in the context of this report.

4. Corporate Priorities, Performance and Other Considerations

Corporate Plan

4.1 This supports the council's corporate priorities as expressed through Our Plan for Barnet which sets out our vision and strategy for the borough. This includes the outcomes we want to achieve for the borough, the priorities we will focus limited resources on and, our approach for how we will deliver this.

Corporate Performance / Outcome Measures

4.2 The Grant Claims and Returns Certification Work Report addresses fundamental aspects of the Council's management arrangements which support the Council's corporate priorities.

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

Sustainability

4.4 None in the context of this report.

Corporate Parenting

4.5 None in the context of this report.

Risk Management

4.6 The Grants Certification Work Report summarises BDO'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.

Insight

4.7 None in the context of this report.

Social Value

4.8 None in the context of this report.

5. Resource Implications (Finance and Value for Money, Procurement, Staffing, IT and Property)

5.1 The estimated fee for the 2020/21 certification Teachers' pension fund return is £5,000, final amount to be confirmed once the work has been completed.

5.2 The estimated fee to KPMG Ltd for the Housing Benefit Subsidy Audit 2022/23 is £20,950 final amount to be confirmed once the work has been completed.

5.3 The fee to BDO for the Capital Pooling Receipts return 2021/22 and 2022/23 are £4,800 for each year.

6. Legal Implications and Constitution References

6.1 Under the Council's Constitution Part 2B, 2.2 the Governance, Audit, Risk Management and Standards Committee is a key component of Barnet Council's corporate governance. It provides an independent and high-level focus on the audit, assurance and reporting arrangements that underpin good governance and financial standards.

6.2 Under the Council's Constitution Part 2B, 2.3 the purpose of the committee is to provide independent assurance to the members of the adequacy of Barnet Council's governance, risk management and control frameworks and oversees the financial reporting and annual

governance processes. It oversees internal audit and external audit, helping to ensure efficient and effective assurance arrangements are in place.

7. Consultation

7.1 None in the context of this report.

8. Equalities and Diversity

8.1 The Grants Certification Work Report covers the arrangements in place for securing grants across services within the Authority to enable the equitable delivery of services to all members of the community, to reduce the differential impact of the services received by all of Barnet's diverse communities and to ensure compliance with the council's duties under the 2010 Equality Act.

9. Background Papers

9.1 Audit Committee – June 2022; Item 8 [Audit Committee - Thursday 16th June 2022 7.00 pm](#)