

	<h2>Audit Committee</h2> <h3>1st May 2019</h3>
Title	Certification of Grant Claims
Report of	Director of Finance
Wards	All
Status	Public
Urgent	No
Key	No
Enclosures	Appendix A – BDO Grant Certification Report
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Summary

Public Sector Appointments Ltd (PSAA) appointed BDO as the Council's External Auditor. Their responsibilities under this contract include the Certification of the Council's Housing Benefit Subsidy Claim. In addition to this, the Council has also engaged BDO to Certify two other Returns, over and above what is provided for in the PSAA Contract – for which a separate fee is charged. This report informs Members of the findings of BDO's Grant Certification work for three Grant Returns for Financial Year 2017-18

Recommendations

1. That Members Note the BDO's findings and recommendations
2. That the Committee consider whether there are any areas on which they require additional information.

1. WHY THIS REPORT IS NEEDED

- 1.1 On behalf of Central Government, the Council is responsible for the assessment and payment of Housing Benefit Claims. The Council obtains reimbursement from Central Government for the value of claims paid by submitting a Return – which is subject to External Audit Certification.
- 1.2 The Council is required to pay a portion of its Housing Capital Receipts over to Central Government. The Council makes official returns to Central Government setting out the volume and value of these receipts and the amounts it has used to provide new Council Housing. The final (year-end) Return to Central Government is subject to External Audit Certification.
- 1.3 Local Authorities that employ teachers are required to deduct pension contributions and send them, along with employer contributions, to the Teachers' Pension Agency (TPA) – who administer the Teacher's Pension Scheme. The Council summaries the contributions paid over to the TPA in an Annual Return – which is subject to External Audit Certification.
- 1.4 BDO's Grant Report addresses key aspects of the Council's business operations, therefore it is appropriate for Members to be made aware of their findings and recommendations.

2. REASONS FOR RECOMMENDATIONS

- 2.1 In order that the Council can consider the Auditor's Grant Certification Report, be able to comment on its findings and recommendations and consider if they require any additional information.

3. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED

- 3.1 None

4. POST DECISION IMPLEMENTATION

- 4.1 None

5. IMPLICATIONS OF DECISION

5.1.1 Corporate Priorities and Performance

- 5.1.2 The Grant Claims and Returns Certification Work Report addresses fundamental aspects of the Council's management arrangements which support the Council's corporate priorities as expressed through the Corporate Plan.

5.2 Resources (Finance and Value for Money, Procurement, Staffing, IT, Property, Sustainability)

- 5.2.1 For two of the three areas the actual fee is higher than the planned fee as BDO had to spend additional time to complete their review findings. The extra charge

was £4,750. However, this needs to be considered within the context of the value of the claims which amounted to £299m. As a result of nationally negotiated external audit rates, the cost of External Audit (including these elements) remains within budget.

5.3 Social Value

5.3.1 None in the context of this report.

5.4 Legal and Constitutional References

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

5.4.2 In accordance with the Constitution the Audit Committee is to provide independent assurance of the adequacy of the risk management framework and the associated control environment, independent scrutiny of the authority's financial and non-financial performance to the extent that it affects the authority's exposure to risk and weakens the control environment, and to oversee the financial reporting process.

5.5 Risk Management

5.5.1 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.

5.6 Equalities and Diversity

5.6.1 There are no matter of equalities and diversity arising from the content of this report.

5.7 Corporate Parenting

5.7.1 None in the context of this report.

5.8 Consultation and Engagement

5.8.1 There are no consultations or engagements relevant to this report

5.9 Insight

5.9.1 None in the context of this report.

6. BACKGROUND PAPERS

6.1 None.