



## Audit Committee

### 2<sup>nd</sup> November 2022

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| <b>Title</b>                   | <b>Grants Certification Work Report 2020/21</b>   |
| <b>Report of</b>               | Executive Director of Strategy and Resources  |
| <b>Wards</b>                   | All   |
| <b>Status</b>                  | Public  |
| <b>Urgent</b>                  | No  |
| <b>Key</b>                     | No  |
| <b>Enclosures</b>              | None  |
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## Summary

The purpose of the report is to update Committee on the progress of the external auditors work in respect of the certification of grants for 2020/21.

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 for 2020/21.

The council has engaged KPMG LLP to complete the certification of the Housing Benefit Subsidy Claim for 2020/21.

### **Capital Receipts Pooling Return**

The audit of this grant claim was completed and an update given to this Committee in June 2022.

### **Housing benefit subsidy**

The audit of this grant claim was completed and an update given to this Committee in June 2022.

**Teachers’ pension fund return certification**

The certification of the teachers’ pensions return for the year ended 31 March 2021 is currently underway.

This Committee on 15<sup>th</sup> September 2022, requested that the Chair write to Capita to escalate the issues that officers and BDO are facing in obtaining the outstanding information required to complete this return. Officers have escalated this within Capita and have been advised that the majority of the information requested by BDO has now been provided.

**Audit fees**

The fee paid to the auditors to BDO for certification of the Housing benefit subsidy claim was £3,500 and the estimated fee for the certification Teachers’ pension fund return is £5,000.

The fee paid to KPMG Ltd for the Housing Benefit Subsidy Audit was £20,950.

**Officers Recommendations**

- 1. That the progress on the Teachers’ Pensions Audit are noted by the Committee; and**
- 2. That the Committee consider whether there are any areas on which they require additional information.**

**1. WHY THIS REPORT IS NEEDED**

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.

**2. REASONS FOR RECOMMENDATIONS**

2.1 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.

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

5.1.2 The current corporate plan (Barnet Plan 2021-2025) was adopted in March 2021. Following the May 2022 elections, the council now has a new administration and a new corporate plan, consistent with the new administration's priorities will be brought forward shortly.

### **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. If there are weaknesses in the systems for monitoring and claiming monies, these funds could potentially be at risk.

5.2.2 The audit fee for 2020/21 is expected to be £29,450 with the final figure being known once the Teachers' Pension Audit has been completed.

### **5.3 Social Value**

5.3.1 None in the context of this decision

### **5.4 Legal and Constitutional References**

5.4.1 The Council's Constitution (Article 7) sets out the terms of reference for Committees. The responsibilities for the Audit Committee include providing "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 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.

## 5.7 **Consultation and Engagement**

5.7.1 None in the context of this report.

## 5.8 **Insight**

5.8.1 None in the context of this report.

## 6. **ENVIRONMENTAL IMPACT**

6.1 None in the context of this report.

## 7. **BACKGROUND PAPERS**

7.1.1 None in the context of this report.