

AUDIT AND GOVERNANCE COMMITTEE

14 DECEMBER 2012

CERTIFICATION OF CLAIMS AND RETURNS – ANNUAL REPORT 2011/12

Report of Executive Director of Commercial and Corporate Services

1. Purpose of the Report

- 1.1 This report details the Audit Commission's (AC) work that they carried out for all grant claims and returns made by the council for the financial year 2011/2012, which according to government regulations required an external audit opinion and/or an audit certificate. Please note that from 1st November Mazars LLP replaced the Audit Commission as the Council's external auditors and as such a representative from Mazars will be presenting the report.

2. Summary of the Report

- 2.1 The attached document (Appendix 1) advises members of the main coverage and findings of the audit work carried out on all grant claims and returns subject to external audit for 2011/12.

- 2.2 The report is positive in that the council suffered no loss of grant in 2011/2012 for the total amount of almost £245 million of grant claims / returns covered by the audit.

- 2.3 Amendment to grant claims / returns

There was only one amendment made from the audit work carried out which is referenced in the report at Appendix 1 (Pages 4 and 5) and was in respect the National Non Domestic Rates Return. This resulted in the Council recovering an additional £1.921m from the NNDR pooling arrangement in correcting 2 separate issues explained in the report, both of which were amended and also improved systems and processes have been put in place to prevent a re-occurrence.

It should be noted that the above amendment meant that the council suffered no loss in funding in 2011/12. The amendment was also reflected in the Audited Statement of Accounts 2011/12 (although the changes mainly affected the Collection Fund Account), which members approved on 28th September 2012.

- 2.4 The level of testing is determined by the grant awarding body itself or alternatively is informed by the level of risks involved. In the case for the Housing and Council Tax Benefit grant the DWP agreed that all claims

nationally should follow a standard audit process that can not rely on the Council's control environment.

- 2.5 It is pleasing to report that the Housing and Council Tax Benefit with a total value of £148.550m had no amendments.
- 2.6 The cost of the work in 2011/12 was £36,945 compared to £40,460 for the previous year and this cost was £1,125 under budget (Page 7).
- 2.7 An officer from Mazars LLP will be in attendance to outline the content of the Report and to answer members questions.

3 Description of Decision

- 3.1 The Committee is recommended to note the contents of this report