

AUDIT AND GOVERNANCE COMMITTEE

13 DECEMBER 2013

CERTIFICATION OF CLAIMS AND RETURNS – ANNUAL REPORT 2012/2013

Report of the Head of Financial Resources

1. Purpose of the Report

- 1.1 This report details the external auditors (Mazars) work that they carried out for all grant claims and returns made by the Council for the financial year 2012/2013, which according to government regulations required an external audit opinion and / or an audit certificate.

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 2012/13.

- 2.2 The report is fairly positive in that the council suffered only a very minor grant reduction of £692 in total in 2012/2013 which related to the National Non-Domestic Rates Return. This still represents an excellent outcome to the council as the amount of the grant claims / returns covered by the audit totalled almost £249m.

- 2.3 Amendment to grant claims / returns

There were some very minor amendments resulting from the audit work carried out which is referenced in the report at Appendix 1 (Page 5) and was in respect of the Housing and Council Tax Benefit Scheme Grant and the Teachers' Pensions Return where minor errors were amended on the return, which had no financial implications.

It should be noted that the above amendments meant that the council suffered no loss in funding in 2012/13 for these two claims.

- 2.4 Qualification of grant claims

The auditor tests all grant claim details and the level of testing is sometimes determined by the grant awarding body itself or alternatively is informed by the level of risks involved or identified from previous audit work.

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.

Both the Housing and Council Tax Benefit Grant and the National Non-Domestic Rates Return were qualified by the auditor for relatively minor issues found during testing, which although were not considered significant, they were still required to report these to the relevant government department.

The fact no grant loss was incurred for the errors identified in respect of the Housing and Council Tax Benefit grant which totals almost £153m and £692 was identified as an overpayment, which the government has since recovered from the council, in respect of the error on the NNDR Return (which totalled almost £15m) is seen as a positive outcome. Actions to prevent similar errors from occurring in future years have now been put in place.

- 2.5 The cost of the work in 2012/13 was £16,050 compared to £36,945 for the previous year and represents almost a 57% reduction in this cost, which is welcomed (Page 4) and reflects the reduced fixed price approach for this work under the new auditing arrangements.
- 2.6 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