

Certification of Grants and Returns**AUDIT COMMITTEE
MEETING DATE 2016/17****18 January 2017****CLASSIFICATION:****Open****If exempt, the reason will be listed in the
main body of this report.****WARD(S) AFFECTED****All Wards****GROUP DIRECTOR****Ian Williams Group Director Finance & Corporate Resources**

1. INTRODUCTION

This report summarises the results of the work carried out by the Council's external auditors, KPMG, in respect of the 2015/16 grants claims and returns, the details of which are included in the appendix to the report.

2. RECOMMENDATION(S)

The Audit Committee is recommended to:

Note the contents of the attached letter from the Council's external auditors.

3. REASONS FOR DECISION

The Accounts and Audit Regulations 2015 place obligations on the Council to ensure that its financial management is adequate and effective and that it has a sound system of internal control. Consideration of the Council's management of grant claims and returns by the Audit Committee is in accordance with this statutory obligation and within the Committee's remit to consider specific reports as agreed with the external auditor.

4. BACKGROUND

4.1 Policy Context

Not applicable

4.2 Equality Impact Assessment

Not applicable

4.3 Sustainability

Not applicable

4.4 Consultations

Not applicable

4.5 Risk Assessment

It is imperative that claims and returns are completed both on a timely and accurate basis in order that funding associated with those returns is received by the Council as expected, particularly in the present financial climate when external funding from the government continues to be reduced significantly. The processes and controls in place for the completion and submission of grant claims and returns ensure that deadlines are met and that the quality of submission is maintained.

5. COMMENTS OF THE GROUP DIRECTOR OF FINANCE AND CORPORATE RESOURCES

There are no direct financial implications arising from this report as it refers to the previous financial year. It is worth noting however that the actual fees for the certification of grants and returns totalled £45,616 and were in line with the indicative fee previously set out by the auditors. This compares to fees of £52,840 in the previous year in respect of the claims and returns certified..

6. COMMENTS OF THE DIRECTOR OF LEGAL

- 6.1 The Accounts and Audit Regulations 2015 place obligations on the Council to ensure that its financial management is adequate and effective and that it has a sound system of control which includes arrangements for the management of risk.
- 6.2 The Council is also responsible for the proper and accurate preparation of claims and returns. Consideration of the Council's management of grant claims and returns by the Audit Committee is in accordance with the obligation.
- 6.2 There are no immediate legal obligations arising from the report.

7. 2015/16 CLAIMS AND RETURNS

- 7.1 As set out above, the report from the Council's external auditors attached as an Appendix to this report provides a summary of the work carried out in relation to auditable claims and returns during 2015/16.
- 7.2 In total, 3 grant claims and returns required certification by an external auditor. The largest of these, in respect of the Council's Housing Benefit subsidy claim, was carried out by KPMG under the Public Sector Audit Appointment arrangements. The remaining 2, Pooling of Housing Capital Receipts and the Teachers' Pensions Return were also carried out by KPMG but under separate specific engagements.
- 7.3 There are a number of other grant claims and returns required throughout the year but they do not require separate audit certification. The Council does however use the same internal process for officer certification of these claims in order to ensure timeliness and accuracy of all claims.
- 7.4 As set out in the auditor's report, whilst once again no specific recommendations are made by the auditors, they have noted that there were more errors identified during the completion of the Housing Subsidy, reversing the previous trend of recent years.
- 7.5 The changes or qualification made to the claims and returns have not resulted in any change to the income due to the Council or additional costs.

APPENDICES

Report from KPMG re Certification of claims and returns – annual report 2015/16

BACKGROUND PAPERS

In accordance with The Local Authorities (Executive Arrangements) (Meetings and Access to Information) England Regulations 2012 publication of Background Papers used in the preparation of reports is required

None

Report Author	<i>Michael Honeysett, 0208 356 3332 Michael.honeysett@hackney.gov.uk</i>
Comments of the Corporate Director of Finance and Resources	<i>Michael Honeysett, 0208 356 3332 Michael.honeysett@hackney.gov.uk</i>
Comments of the Corporate Director of Legal, HR and Regulatory Services	Patricia Narebor, 0208 356 2029 Patrica.narebor@hackney.gov.uk