



**Certification of Grants and Returns 2017/18**

**AUDIT COMMITTEE 2018/19**

**15 January 2019**

**CLASSIFICATION:**

**Open**

**WARD(S) AFFECTED**

**All Wards**

**Ian Williams, Group Director Finance and 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 2017/18 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 report from KPMG, the Council's external auditors for 2017/18.

### **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 £53,995, including an additional charge of £4,049 over the indicative fee in respect of the work to certify the Housing Benefit Subsidy Claim. This compares to fees of £46,005 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. Consideration of the Council's management of grant claims and returns by the Corporate Committee is in accordance with the statutory obligation.
- 6.2 There are no immediate legal obligations arising from the report.

## **7. 2017/18 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, 4 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 3, Pooling of Housing Capital Receipts, the Teachers' Pensions Return and the Education & Skills Funding 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 only 2 minor recommendations in respect of the Skills Funding Agency were made, they have noted that additional work was required during the audit of the HB Subsidy claim resulting in an additional fee of £4,089.
- 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 2017/18

## 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

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