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Purpose: For Decision

Committee report

Committee	AUDIT COMMITTEE
Date	18 FEBRUARY 2016
Title	EXTERNAL AUDITOR'S CERTIFICATION OF CLAIMS AND RETURNS ANNUAL REPORT 2014-15
Report of/to	TECHNICAL FINANCE MANAGER

EXECUTIVE SUMMARY

1. This report introduces the external auditor's annual report on certification of claims and returns for 2014-15.
2. The committee is asked to accept the report.

BACKGROUND

3. The annual report on certification of claims and returns summarises the audit of grant claims and returns made by the council during 2014-15.
4. Local authorities claim large sums of money in grants and subsidies from central government and other external agencies and are normally required to complete returns to substantiate those claims. The certification work carried out by the external auditor provides assurance to the grant paying agencies that claims have been submitted correctly and are consistent with the financial records of the council.
5. The only claim falling within the scope of the audit for 2014-15 was the housing benefits subsidy claim, the total value of which was £52.5 million.
6. The audit fee for certifying this claim was £22,770 – this is higher than the fee charged in 2013-14, but in line with the indicative fee originally quoted for this work.
7. Testing identified two errors which were amended by the council, result in an increase in the subsidy claimed of £265. A further three errors were identified which were not amended, and are reported in the qualification letter.

STRATEGIC CONTEXT

8. The annual external audit of the grant claims and returns made by the council represents a key part of the council's overall corporate governance framework, in particular as it relates to financial control and the stewardship of significant sums of public money.

CONSULTATION

9. The content of the report has been agreed with staff from within the council's Revenues and Benefits Team, and their suggestions have been incorporated into the final version.

FINANCIAL / BUDGET IMPLICATIONS

10. The total cost of grant and claims certification work in 2014-15 included within the external auditor's report was £22,770, which is accommodated within the overall budget for audit fees.

LEGAL IMPLICATIONS

11. There are no significant legal implications arising from the content of the report, although the implementation of any actions planned to address any identified areas for improvement will be important to the maintenance of an effective governance framework in order to ensure ongoing compliance with relevant conditions of grant. On this occasion none have been identified.

EQUALITY AND DIVERSITY

12. The council has a legal duty under the Equality Act 2010 to seek to eliminate discrimination, victimisation and harassment in relation to age, disability, gender re-assignment, pregnancy and maternity, race, religion, sex, sexual orientation and marriage and civil partnership. It is considered that there are no direct equality and diversity implications of this report for any of the protected groups.

RISK MANAGEMENT

13. The key risk is that the council fails to take adequate action to address any issues identified by the auditor or to appropriately monitor progress in addressing those issues. In the case of the 2014-15 housing benefits subsidy claim, the auditors have made no such recommendations.

RECOMMENDATION

14. Members are asked to accept the annual report on certification of claims and returns for 2015-16.

APPENDICES ATTACHED

15. [Appendix A](#) - External auditor's certification of claims and returns annual report 2014-15

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