

AUDIT COMMITTEE

20 MARCH 2014

REPORT OF CORPORATE DIRECTOR (CORPORATE SERVICES)

A.4 EXTERNAL AUDIT REPORT – CERTIFICATION OF CLAIMS AND RETURNS ANNUAL REPORT 2012/13

(Report prepared by Richard Barrett)

PART 1 – KEY INFORMATION

PURPOSE OF THE REPORT

To present the External Auditor's certification of claims and returns annual report 2012/13.

EXECUTIVE SUMMARY

- A number of claims and returns made by the Council were subject to audit by the Council's External Auditor in accordance with relevant thresholds or the terms of the grant or subsidy.
- The External Auditor's detailed report is attached. A qualification letter was issued in respect of the housing and council tax benefit subsidy claim, although there has been no significant direct impact on the associated level of grant funding or other additional implications, with one recommendation being made by the External Auditor.

RECOMMENDATIONS

That the Committee:

- a) Considers and notes the External Auditor's certification of claims and returns annual report 2012/13.
- b) Agrees the proposed action in response to the External Auditor's recommendation.

PART 2 – IMPLICATIONS OF THE DECISION

DELIVERING PRIORITIES

The aim of continuing to be financially stable and well managed and provide good value for money is directly supported through learning and improving through audit and inspection. This requires proportionate responses to recommendations and opportunities for improvement identified by the External Auditor each year.

FINANCE, OTHER RESOURCES AND RISK

Finance and other resources

Due to additional testing that was required, an additional fee will be chargeable by the External Auditor. However this can be met from within existing budgets.

Risk

If proportionate and practical responses to recommendations made by the External Auditor are not fully considered then there is the risk that errors or incorrect claims are made in the future which could have an adverse impact on the Council's reputation and standing in addition to any potential financial loss.

LEGAL

There are no direct legal implications associated with this report.

OTHER IMPLICATIONS

Consideration has been given to the implications of the proposed decision in respect of the following and any significant issues are set out below.

Crime and Disorder / Equality and Diversity / Health Inequalities / Area or Ward affected / Consultation/Public Engagement.

There are no direct implications.

PART 3 – SUPPORTING INFORMATION**BACKGROUND AND OUTCOMES FROM THE EXTERNAL AUDITOR'S WORK**

The Council is responsible for completing, certifying and submitting the required claims and returns in accordance with the instructions and timescales issued by the relevant government department or body.

The External Auditor is required to make appropriate certification arrangements for various claims and returns based on their value. The External Auditor's report setting out the outcomes from the audit work they have undertaken is attached.

A summary of the key outcomes from the annual report is set out below:

- In respect of the housing and council tax benefit subsidy claim, testing identified some errors that were subsequently amended, with no significant impact on the overall level of subsidy receivable. A qualification letter was issued by the External Auditor covering a limited number of points (see page 1 of attached).

In response, a recommendation has been made concerning the development and delivery of the appropriate training to staff to ensure that they understand how income should be recorded within the IT system to prevent incorrect benefit potentially being awarded. This has been agreed and to enable the Committee to monitor the progress of this action, an item will be added to the Committee's table of outstanding issues that is reported at each meeting.

- In respect of two further claims that were subject to external audit, no errors were identified and the claims were certified without qualification.

BACKGROUND PAPERS FOR THE DECISION

None

APPENDICES

The External Auditor's Certification of Claims and Returns – Annual Report 2012/13
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