

BRIDGEND COUNTY BOROUGH COUNCIL

REPORT TO THE AUDIT COMMITTEE

26 APRIL 2018

REPORT OF THE CHIEF EXECUTIVE

CERTIFICATION OF GRANTS AND RETURNS 2016-17

1 Purpose of Report.

- 1.1 The purpose of this report is to present the Council's External Auditor's report on the grant work undertaken for 2016-17.

2 Connection to Corporate Improvement Plan / Other Corporate Priorities.

- 2.1 Internal and External Audit's work impacts on the Corporate Improvement Objectives and other Corporate Priorities.

3 Background

- 3.1 Wales Audit Officer (WAO), as appointed auditors of the Council, is asked on behalf of the Auditor General for Wales to certify larger grant claims made by the Council. For 2016-17 they audited 14 grant claims and returns with a total value of £123 million (15 grant claims with a total value of £121 million in 2015-16).

4 Current situation / proposal

- 4.1 A summary of all claims and returns subject to certification is provided with the report attached at **Appendix A**, together with the certification fee and outcome of the External Auditor's review.

- 4.2 The certification results are summarised as follows:

- 100% of the grant claims were submitted in accordance with the awarding body's deadline (consistent with 2015-16).
- 12 certificates were unqualified, 2 were qualified, 1 as a result of errors in the calculation of housing benefits payable to claimants, the other due to an increase in passenger numbers of over 10% for one bus route in relation to the Concessionary Fares grant, which was not sufficiently explained during the audit. No financial adjustment to the grant was made.
- There were adjustments made to 6 of the 14 claims, although only 1 had a financial impact to the Council. This compares to 14 requiring adjustment the previous year.

- 4.3 There was only one significant adjustment which was as a result of an incorrect calculation of the Bad Debt Provision for Non-Domestic Rates. This affects the

income to Welsh Government and not any funding due to the Council. The net effect of the other grant adjustments resulted in an increase of £75 to the Council.

4.4 The Council's External Auditors have made 3 recommendations:

- The Council should strengthen its arrangements for processing housing benefit claims
- Officers should ensure that claim forms and returns are completed correctly
- Officers should monitor claims and ensure fluctuations are appropriately explained and justified.

Processes will be put in place to address these 3 recommendations.

5 Effect upon Policy Framework& Procedure Rules.

5.1 None

6 Equality Impact Assessment.

6.1 There are no equality issues.

7 Financial Implications.

7.1 As outlined within the report, there is an increase in grant due to the Council of £75.

8 Recommendation.

8.1 That Members note the content of the External Auditor's Report on the grant work undertaken for 2016-17 attached at Appendix A.

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Chief Executive
22 March 2018

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Background Documents

Certification of Grants and Returns 2016/17