

BRIDGEND COUNTY BOROUGH COUNCIL

REPORT TO THE AUDIT COMMITTEE

18 APRIL 2019

REPORT OF THE INTERIM HEAD OF FINANCE AND S151 OFFICER

CERTIFICATION OF GRANTS AND RETURNS 2017-18

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 2017-18.

2 Connection to Corporate Improvement Plan / Other Corporate Priorities.

- 2.1 This report assists in the achievement of the following corporate priority/priorities:
- Smarter use of resources – ensuring that all its resources (financial, physical, human and technological) are used as effectively and efficiently as possible and support the development of resources throughout the community that can help deliver the Council's priorities.

3 Background

- 3.1 Wales Audit Office (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 2017-18 11 grant claims and returns with a total value of £142 million were audited (compared to 14 grant claims with a total value of £123 million in 2016-17). The reasons for the reduction in volume are due to 3 grants being amalgamated into a consolidated claim and 1 further grant no longer requiring audit certification.

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 2016-17).
 - 9 certificates were unqualified, 2 were qualified, 1 as a result of a small number of errors in the calculation of housing benefits which resulted in an adjustment of £547, the other due to inclusion of an ineligible item of expenditure to the value of £6,298.

- There were adjustments made to 4 of the 11 claims, which resulted in an overall reduction of grant to the Council of £6,573. This compares to 6 requiring adjustment the previous year.

4.3 The Council's External Auditors have made 1 recommendation:

- The Council should continue to review the strength of its arrangements for processing housing benefit claims, particularly in key areas such as housing benefit induction and ongoing training, and the level of management review required.

Improvements will continue to be made to address this recommendation.

5 Effect upon Policy Framework & Procedure Rules.

5.1 None

6 Equality Impact Assessment.

6.1 There are no equality issues.

7. Well-being of Future Generations (Wales) Act 2015 implications

7.1 The report supports all the wellbeing objectives.

8. Financial Implications.

8.1 As outlined within **Appendix A**, there was a net reduction to the overall grant amount due of £6,573. This is the result of:-

- Local Transport Grant Claim – the grant claim was based on estimated expenditure and included £13,402 that was subsequently not incurred. The grant that had been received for these items now needs to be repaid;
- Local Authority Single Revenue Grant – there was spend on the waste element of this grant that was missed in error off the claim so an additional amount of £6,298 grant is due;
- Two minor adjustments on the Housing Benefits Claim and Pooled Budgets which totalled an additional £531 grant due.

8.2 The implication of the above is that the Council will benefit by additional grant of £6,829 as there was no expenditure incurred on the Local Transport Grant Claim so the grant monies are being held for repayment.

9. Recommendation.

9.1 That Members note the content of the External Auditor's Report on the grant work undertaken for 2017-18 attached at **Appendix A**.

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Background Documents

Certification of Grants and Returns 2017/18