



WALES AUDIT OFFICE
SWYDDFA ARCHWILIO CYMRU

Audit Certification of the 2017-18 Grants and Returns - **Bridgend County Borough Council**

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Findings

- 1 We have completed our audit of Bridgend County Borough Council's (the Council's) 2017-18 grants claims and returns (referred to as grants hereafter). We can confirm that the Council submitted all grant claims on time and supported by generally sound working papers. The Council's officers continued to engage with us proactively and we certified all grants claims ahead of the audit deadlines in place.
- 2 We certified 11 grant claims, being three fewer than the previous financial year. This reduction was because:
 - no audit was required this year for the Coast Protection grant, as audit is due at the end of the scheme; and
 - the Flying Start, Families First and Free Concessionary Travel¹ schemes were merged into a new solitary grant claim, known as the Summary Schedule of Certified Welsh Government grants.
- 3 We qualified² two of the 11 grants claims. The qualified claims were the Housing Benefit Subsidy claim and the Summary Schedule of Certified Welsh Government claim. Below, [Exhibit 1](#) summarises the outcome of the audits and [Exhibit 2](#) sets out the main audit observations.
- 4 The total cost of the audits is £52,209 (£75,907 for 2016-17). The audits resulted in an overall net reduction of £6,573 in grant income due to the Council. For comparison, last year's grant audits resulted in an overall net increase in grant income due to the Council of £75.

¹ For 2017-18 the Free Concessionary Travel Scheme did require a separate return to the Welsh Government in respect of smartcard-journey data, but the return did not require audit certification.

² A qualification means that issues were identified concerning the Council's compliance with a scheme's requirements, which could not be resolved through adjustment.

Exhibit 1 – summary of main audit observations

Grants and returns	Claim due	Claim received	Late	Qualified certificate	Adjustment (>£10,000)	Adjustment (<£10,000)	Unqualified certificate
Housing Benefit Subsidy claim (BEN01)	30/4/18	30/4/18	No	Yes		£547	No
21 st Century Schools (EDU18)	30/9/18	30/9/18	No				Yes
Pooled budgets - integrated family support service (HLG01)	27/4/18	27/4/18	No			-£16	Yes
Pooled budgets - integrated community services (HLG01)	27/4/18	27/4/18	No				Yes
Pooled budgets - assisted recovery in the community (HLG01)	27/4/18	27/4/18	No				Yes
NDR Non-Domestic Rates Return (LA01)	31/5/18	31/5/18	No				Yes
Summary schedule of certified Welsh Government grants (LA99)	15/6/18	15/6/18	No	Yes		£6,298	No
Teachers' Pension return (PEN05)	31/5/18	25/5/18	No				Yes
Communities First (RG03)	31/7/18	31/7/18	No				Yes
Social Care Workforce Development Programme (SCWDP) (SOC07)	28/9/18	30/8/18	No				Yes
Local Transport Grant (TRA15)	30/9/18	11/9/18	No		-£13,402		Yes
Total				2	-£13,402	£6,829	9

5 **Exhibit 2** provides some additional information on the audit qualifications and amendments that are set out above in the **Exhibit 1** summary.

Exhibit 2 - summary of findings

Summary observations	Amendment (impact on grant due)
<p>Housing Benefit Subsidy claim (BEN01)</p> <p>The claim was amended to correct seven errors in respect of non-HRA rent rebates. Amendments were made where the full population of the relevant cases could be identified and tested, enabling the total errors to be identified. The errors were in respect of the following:</p> <ul style="list-style-type: none"> • incorrect treatment of childcare costs; • benefits incorrectly granted to claimants in receipt of universal credit; and • incorrect classification of overpayments. <p>The claim was qualified for several errors in respect of non-HRA rent rebates and rent allowance cases. Qualifications were necessary where we could not test the full populations of the relevant cases and therefore the facts were set out in a qualification letter for consideration by the Department for Work and Pensions. The claim was qualified for the following:</p> <ul style="list-style-type: none"> • a period of non passported benefit not accounted for within a claim calculation (non-HRA rent rebate case); and • 12 errors in respect of income calculations (rent allowance cases). 	<p>£547</p>
<p>Pooled budgets - integrated family support service (HLG01)</p> <p>The claim was reduced by £16 due to a credit transaction being omitted from the claim reconciliation provided to support the claim expenditure.</p>	<p>-£16</p>

Summary observations	Amendment (impact on grant due)
<p>NDR Non-Domestic Rates Return (LA01)</p> <p>The claim was amended for the following:</p> <ul style="list-style-type: none"> to include in line 15 of the claim form the correct date of the latest information considered when compiling the claim (Recommendation 1); and to include a zero in line 26 of the claim form in line with the claim completion instructions (Recommendation 1). 	£0
<p>Summary schedule of certified Welsh Government grants (LA99)</p> <p>The claim was qualified due to the inclusion of ineligible expenditure in respect of flying start expenditure.</p> <p>The claim was amended for the following:</p> <ul style="list-style-type: none"> expenditure on the line for 'local authority single revenue grant' had been incorrectly entered as £2,645,004, the correct amount being £2,651,301; and to include a virement of £8,295 from the Communities First claim that had been omitted from the 'flying start' line within this claim form. 	£6,298
<p>Communities First (RG03)</p> <p>The claim was amended as expenditure on one expenditure head had not been restricted to the approved amount, as required by the claim completion instructions.</p>	£0
<p>Social Care Workforce Development Programme (SCWDP) (SOC07)</p> <p>The claim was amended for the following:</p> <ul style="list-style-type: none"> the 'local authority contribution' figure for social worker qualifying training within section 6 of the claim form had not been completed; and the boxes for the 'amount and percentage of Social Care Wales contribution spent on training to comply with health and safety legislation' within section 6 of the claim form had not been completed. 	£0

Summary observations	Amendment (impact on grant due)
<p>Local Transport Grant (TRA15)</p> <p>The claim was amended for the following:</p> <ul style="list-style-type: none"> • to remove a duplicate amount included for capital scheme retentions; and • to remove estimated spend included in the claim reconciliation but not incurred or accrued in the ledger during the claim period. 	-£13,402
<p>Total effect of amendments to the Council</p>	-£6,573

Recommendations

6 We have raised one recommendation this year, which relates to our findings in respect of the Council's housing benefit claim.

Exhibit 3 – recommendation

Issue	Implication	Recommendation	Comment	Responsible officer and target date
<p>Housing benefit data is incorrectly assessed and processed, resulting in:</p> <ul style="list-style-type: none"> incorrect payments to claimants; and an incorrect claim to the Department for Work and Pensions. 	<p>The Council's annual claim may be qualified or amended.</p> <p>Housing benefit subsidy may be reclaimed by from the Council by the Department for Work and Pensions.</p>	<p>R1</p> <p>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.</p>	<p>Agreed.</p>	<p>Benefits and Financial Assessments Manager</p> <p>Ongoing</p>

Fees

7 Our total fee of £51,873 is lower than the fee estimate of £58,500 that we set out in our 2018 Audit Plan.

Exhibit 4 – audit fees

Breakdown of fee by grant/return	2017-18 £	2016-17 £
Housing Benefit Subsidy claim (BEN01)	19,218	31,795
21 st Century Schools (EDU18)	2,002	1,478
Flying Start Revenue (EYC01)	-	2,410
Families First (EYC14)	-	3,195
Pooled budgets (3 claims) (HLG03)	7,722	4,710
NDR Non-Domestic Rates Return (LA01)	3,682	3,270
Summary schedule of certified Welsh Government grants (LA99)	4,723	-
Land drainage - Porthcawl Town Beach - Design phase (LD03)	-	2,634
Teachers' Pension return (PEN05)	2,105	2,914
Communities First (RG03)	2,933	5,083
Social Care Workforce Development Programme (SCWDP) (SOC07)	3,908	1,964
Local Transport Grant (TRA15)	1,778	2,009
Free Concessionary Travel (TRA23)	806	3,050
Planning, admin and reporting	3,332	11,395
Total fee	52,209	75,907

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