

AUDIT COMMITTEE	AGENDA ITEM No. 4
11 FEBRUARY 2019	PUBLIC REPORT

Report of:	Peter Carpenter - Acting Corporate Director: Resources	
Cabinet Member(s) responsible:	Cllr Seaton - Resources	
Contact Officer(s):	Peter Carpenter - Acting Corporate Director: Resources Kirsty Nutton - Head of Corporate Finance	Tel. 384564 Tel. 384590

CERTIFICATION OF CLAIMS AND RETURNS ANNUAL REPORT 2017/18

RECOMMENDATIONS	
FROM: Peter Carpenter - Acting Corporate Director Resources	Deadline date: N/A
The Audit Committee is asked to:	
1. Consider and endorse the grant certification report.	

1. ORIGIN OF REPORT

1.1 This report is submitted to Audit Committee following a referral from the S151 Finance Officer.

2. PURPOSE AND REASON FOR REPORT

2.1 The purpose of this report is to introduce the certification of claims and returns annual report from Ernst & Young (EY), the Council's external auditors.

2.2 This report is for Audit Committee to consider under its Terms of Reference No. 2.2.1.5

"To consider the external auditors annual letter, relevant reports and the report to those charged with governance"

3. TIMESCALES

Is this a Major Policy Item/Statutory Plan?	NO	If yes, date for Cabinet meeting	n/a
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4. BACKGROUND AND KEY ISSUES

4.1 Guidance for 2017/18 claim certification was issued to auditors by Public Sector Audit Appointments (PSAA).

4.2 This requires no materiality threshold to be applied to the audit work and a qualification letter must be issued for any errors found, no matter how small. Errors were found in the samples tested, which when extrapolated over the whole population are estimated to total £4,238. This represents an error rate of 0.0065% on the £65,201,608 claim.

4.3 The issues identified were relatively minor and no audit recommendations were made on the basis of these findings.

4.4 The proposed audit fee has reduced to £20,825 from £24,075 for 2016/17 claim. This is due to the cases tested being less complex despite more testing being undertaken. It is higher than the PSAA indicative fee of £13,619 because the indicative fee assumes that some of the testing carried out by EY would be undertaken by the Council.

4.5 The 2017/18 Audit was the last Housing Benefit audit to be undertaken under the PSAA appointing regime. KPMG LLP have been appointed to undertake the 2018/19 Housing Benefit Grant Claim Audit . EY remain the Council's appointed auditor for the Statement of Accounts.

5. CONSULTATION

5.1 The grants certification report and approach to further testing have been discussed and agreed with the S151 officer.

6. ANTICIPATED OUTCOMES OR IMPACT

6.1 To note the EY 2017/18 certification report and comment on any issues the Committee considers relevant.

7. REASON FOR THE RECOMMENDATION

7.1 Audit Committee to note the contents of the report and to comment on issues identified within the external audit report.

8. ALTERNATIVE OPTIONS CONSIDERED

8.1 None as Audit Committee is required to receive the report.

9. IMPLICATIONS

Financial Implications

9.1 The cost of the grant certification has already been factored in to budgetary control position.

Legal Implications

9.2 None.

Equalities Implications

9.3 None.

10. BACKGROUND DOCUMENTS

Used to prepare this report, in accordance with the Local Government (Access to Information) Act 1985

10.1 None

11. APPENDICES

11.1 App A - Certification of claims and returns annual report 2017-18