

AUDIT, GOVERNANCE AND STANDARDS COMMITTEE

28th January 2016

GRANT THORNTON – CERTIFICATION WORK REPORT 2014/15

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|---------------------------------|---|
| Relevant Portfolio Holder | Councillor John Fisher |
| Portfolio Holder Consulted | - |
| Relevant Head of Service | Jayne Pickering – Exec Director Finance and Resources |
| Ward(s) Affected | All Wards |
| Ward Councillor(s) Consulted | No |
| Key Decision / Non-Key Decision | Non–Key Decision |

1. SUMMARY OF PROPOSALS

To present Members with the Grant Certification Letter for 2014/15 from the Council's External Auditors Grant Thornton.

2. RECOMMENDATIONS

The Committee is asked to note the Grant Certification Letter for 2014/15.

3. KEY ISSUES

Financial Implications

- 3.1 There is an additional cost that will be met from existing budgets within Finance to fund the extra work undertaken by Grant Thornton in relation to the Housing Benefit Subsidy Claim 2014/15.

Legal Implications

- 3.2 Grant Thornton have a statutory responsibility to certify the claims submitted by the Council. The Council has a legally binding contract with Grant Thornton to provide the External Audit service for at least the next 3 years.

Service / Operational Implications

- 3.3 External Auditors have a duty to carry out all work necessary to meet their statutory responsibilities in accordance with the Code of Audit Practice. This includes certification of grant claims.
- 3.4 The auditors have certified the Housing Benefit Claim for 2014/15 relating to over £25m of expenditure. Their results on their certification work is detailed in Appendix 1. The claim was qualified due to a number of issues and recommendations made for improvements.

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- 3.5 The key messages from the Audits and to be addressed in the action plan include;
- Weaknesses in benefit processing identified as part of case testing
 - Improvements to subsidy claim preparation
 - Arrangements to streamline the audit
- 3.6 Officers have developed a comprehensive improvement plan which includes:
- Changes to the IT software to improve reporting and monitoring work
 - Training for the team and individuals to address errors which include; services, rent charges, earnings, childcare costs, tax credits and overpayment classification.
 - Changes to processes to minimise risks in relation to highly complex cases such as dispersed units or bed and breakfasts.
 - Changes to processes to increase checks in relation to overpayments and payment runs.
 - Improved diary notes on the system to enable greater understanding if decisions made.
 - Review of all cases where child care costs may have been incorrectly calculated, and use this review to develop new processes.
 - To ensure review of high risk cases.
- 3.7 This is supported by a quality checking regime and increased resources to support the subsidy audit. Officers will be working with DWP consultants who can provide free support and advice to support the work to improve the quality of processing.

Customer / Equalities and Diversity Implications

- 3.8 There are no implications arising out of this report.

4. RISK MANAGEMENT

As part of all audit work the auditors undertake a risk assessment to ensure that adequate controls are in place within the Council so reliance can be placed on internal systems.

5. APPENDICES

Appendix 1 – Grant Thornton Certification Letter 2014/15

6. BACKGROUND PAPERS

Individual internal audit reports.

7. KEY

N/a

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