

AUDIT, GOVERNANCE & STANDARDS & COMMITTEE 27TH APRIL 2017

GRANT THORNTON – CERTIFICATION WORK REPORT 2015/16

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

- 1.1 To present Members with the Grant Certification Letter for 2015/16 from the Councils External Auditors Grant Thornton.

2. RECOMMENDATIONS

- 2.1 **The Committee is asked to note the letter 2015/16**

3. KEY ISSUES

Financial Implications

- 3.1 The base fee for the grant work is £11k. Any further work undertaken as a result of additional testing is chargeable. This is proposed at £15k and is detailed in the Appendix.

Legal Implications

- 3.2 Grant Thornton have a statutory responsibility to certify the claims submitted by the Council.

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 2015/16 relating to over £24.3m of expenditure. Following the recommendations proposed from 2014/15 an action plan was prepared and this has delivered improvements in the processing for 2015/16. However due to the timing of the action plan and the audits the improvements could only impact on the last quarter of 15/16 and therefore additional testing had to be undertaken. It is also worth making Members aware that there is a snowball effect to the benefits subsidy audit in that once one mistake has been found then 40+ testing must be carried out which then results in further testing the following years until the 40+ testing shows no errors at all. Hence in

AUDIT, GOVERNANCE & STANDARDS & COMMITTEE 27TH APRIL 2017

the 16/17 audit we expect further testing to be undertaken. The high percentage of complex cases that we have does mean that error is more likely.

- 3.5 The External Auditors have reported that there has been a reduction in additional testing due to improvements in the quality of work processed.
- 3.6 The action plan put in place as a result of the 14/15 audit is being continuously monitored and any concerns addressed immediately to improve service delivery. In addition we have different guidance as to the work we have to do and this has reduced the expected work load considerably.

Customer / Equalities and Diversity Implications

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

4. RISK MANAGEMENT

- 4.1 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 2015/16

6. BACKGROUND PAPERS

Individual audit reports.

AUTHOR OF REPORT

Name: Jayne Pickering
E Mail: j.pickering@bromsgrove&redditch.gov.uk
Tel: 01527-881207