



<b>Policy, Finance and Development Committee</b>	<b>Tuesday, 29 March 2016</b>	<b>Matter for Information</b>
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**Title:** External Audit Report on Grant Claims and Returns and the External Audit Plan 2016/17

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## **1. Introduction**

This report serves two functions, firstly to summarise the findings from the External Auditors Certification of Grants and Returns 2014/15 Report which includes the Auditors assessment of the Council's arrangements for preparing claims and returns. Secondly, to inform Members of the external audit plan for the 2015/16 accounts. The report also provides brief information on any returns that have been amended or qualified.

## **2. Recommendations**

That Members note the contents of the report.

## **3. Information**

The attached at Appendix 1 of this report from KPMG provides details of the External Auditors opinions on the processes adopted by the Council in respect of the management of its grant claims and returns. In 2014/15 the External Auditor reviewed the Council grant claims and returns with a total value of £9.6M.

KPMG, the Council's appointed external auditor, is responsible for completing all aspects of the audit required for the certification of claims and returns. This includes delivering the annual report on certification work which is attached as an Appendix.

The Council has adequate arrangements for preparing its grants and returns and supporting the audit certification work. All grants and returns were submitted on a timely basis and had been correctly identified as requiring certification in line with the certification instruction index issued by the Audit Commission. The Council keeps adequate records in relation to grants and returns which were accurate and sufficient. New procedures have been put in place to increase the checking of the claims and suitable training given to staff which should mean that the returns are accurately returned to the Government in future.

The Auditor has noted that a minor adjustment is required on the Housing Benefit Subsidy Claim reducing the total claim by £187, very small adjustment when compared to other authorities. The auditor issued an unqualified opinion on the Pooling of Housing Capital Receipts but drew attention to the conditions for grants to RSL for schemes which meet the new build 1-4-1 requirements.

The External Audit plan 2015/16 is attached at appendix 2 to the report. The report details the approach that the auditors will adopt when examining the Council's financial statements and carrying out Value for Money Arrangements work

4. The Public Sector Audit appointments set an indicative fee for the Council for the Benefits Subsidy Audit in 2014/15 at £11,460 while the scale fee for the main financial statements 2015/16 audit is £42,784. Appropriate budget provision has been made for this work in the Council's annual budgets.

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<b>Implications</b>	
Financial (CR)	As contained in the report.
Legal (AC)	No significant implications.
Risk (CR)	The external audit is a key component of the Council's system of control and governance.
Equalities (AC)	No significant implications.