

Forest Heath District Council

**PERFORMANCE AND
AUDIT SCRUTINY
COMMITTEE**

29 MAY 2014

PAS14/030

(This report is not a key decision. This report has been subject to appropriate notice of publication under the Council's Access to Information Rules)

Report of the Head of Resources and Performance

ERNST & YOUNG – ANNUAL CERTIFICATION REPORT 2012/2013

1 Summary and Reasons for recommendation

- 1.1 To update members on the outcome of the annual audit of grant claims by Ernst & Young (our external auditors) as detailed in their Annual Certification Report for 2012/2013, attached at **Appendix 1**.

2. Recommendation

- 2.1 That Members **note** the Annual Certification Report for 2012/2013.

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3. Corporate priorities

- 3.1 This report and attached certification report supports all of the Council's priorities within the West Suffolk Strategic Plan 2014-16.

4. Key issues

- 4.1 Ernst Young (EY) has issued at **Appendix 1**, an Annual Report on the Certification of Claims and Returns for 2012/2013. This report summarises the results of the certification work that has been undertaken EY staff as part of the annual audit of grant claims to government departments.
- 4.2 The report at Appendix 1 includes key messages arising from the assessment of the arrangements for preparing claims and returns and information on claims that were qualified.
- 4.3 External Audit is required by section 28 of the Audit Commission Act 1998 to certify some claims and returns for grants or subsidies paid by the government departments and public bodies to Forest Heath District Council.
- 4.4 Funding from government grant-paying departments is an important income stream for the Council which has to put in place procedures to ensure that it has met the conditions attached to these grants. The summary of work on the 2012/13 grant claims is shown on page 1 of **Appendix 1**.
- 4.5 For the financial year 2012/2013, external audit certified two claims with a total value of £41.1million. These were housing benefit and council tax benefits (£20.5m) and national non domestic rates (£20.6m).
- 4.6 Only one amendment was required to the two claims and returns which the Council presented for certification. This related to the housing and council tax benefit claim for £463 in respect of amendments made following the audit of non-housing revenue account rebates, rent allowances, modification schemes and un-cashed cheques.
- 4.7 The relevant officers of the Council and Anglia Revenues Partnership (ARP) have agreed the qualifications in respect of the 2012/13 certification work, as detailed on page 2 of **Appendix 1**. ARP has taken action to address the issues for 2013/2014.
- 4.8 EY have made no recommendations to Members as a result of the audit.

5. Other options considered

- 5.1 None.

6. Community impact

- 6.1 None.

7. Consultation *(what consultation has been undertaken, and what were the outcomes?)*

7.1 This report has been prepared in consultation with the Finance Team, Joint Leadership Team and the Portfolio Holder for Resources, Governance.

8. Financial and resource implications *(including asset management implications)*

8.1 The proposed 2012/13 fee of £21,209 can be funded within the Councils approved budget for 2012/13.

9. Risk/opportunity assessment *(potential hazards or opportunities affecting corporate, service or project objectives)*

9.1 None.

10. Legal and policy implications

10.1 External audit is a statutory function.

11. Ward(s) affected

11.1 All.

12. Background papers

12.1 None.

13. Documents attached

13.1 Appendix 1 – Ernst & Young Annual Certification Report 2012/13