



St Edmundsbury
BOROUGH COUNCIL

D349

Performance and Audit Scrutiny Committee 29 April 2013

Ernst & Young – Annual Certification Report 2011/12

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 2011/12, attached at Appendix A.

2. Recommendation

- 2.1 That Members note the Annual Certification Report for 2011/12.

Contact details

Name

Title

Telephone

E-mail

Chairman

John Hale

Chairman

01359 221141

john.hale@stedsbc.gov.uk

Lead officers

Rachael Mann

Head of Resources and Performance

01638 719245

rachael.mann@westsuffolk.gov.uk

3. Corporate priorities

- 3.1 This report and attached audit plan supports the strategic priority of working together for an efficient council.

4. Key issues

- 4.1 Ernst Young (EY) has issued at Appendix A, an Annual Report on the Certification of Claims and Returns for 2011/12. This report summarises the results of the certification work that has been undertaken by Audit Commission staff to 31st October 2012 and by EY staff from 1st November 2012 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 St Edmundsbury Borough 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 2011/12 grant claims is shown on page 1 of Appendix A.
- 4.5 For the financial year 2011/12, external audit certified two claims with a total value of £74.7million. These were housing benefit and council tax benefits (£33.1m) and national non domestic rates (£41.6m).
- 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 £290 in respect of amendments made following the audit of non-housing revenue account rebates, rent allowances and modification schemes.
- 4.7 The relevant officers of the Council and Anglia Revenues Partnership (ARP) have agreed the qualifications in respect of the 2011/12 certification work, as detailed on pages 2-4 of Appendix A. ARP has taken action to address the issues for 2012/13.
- 4.8 Ernst & Young have made no recommendations to Members as a result of the audit.

5. Other options considered

- 5.1 None applicable.

6. Community impact

- 6.1 **Crime and disorder impact** *(including Section 17 of the Crime and Disorder Act 1998)*

- 6.1.1 None

- 6.2 **Diversity and equality impact** *(including the findings of the Equality Impact Assessment)*

6.2.1 None

6.3 **Sustainability impact** *(including completing a Sustainability Impact Assessment)*

6.3.1 None

6.4 **Other impact** *(any other impacts affecting this report)*

6.4.1 None

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

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

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

8.1 The proposed 2011/12 fee of £84,549 can be funded within the Councils approved budget for 2012/13.

8.2 Appendix B provides Members with a further explanation to the 2011/12 fee in comparison to the amount charged for the 2010/11 grant claim work.

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 A – Ernst & Young Annual Certification Report 2011/12

13.2 Appendix B – Ernst & Young letter on 2011/12 fee level