

Meeting:	Audit and governance committee
Meeting date:	Wednesday 23 January 2019
Title of report:	External audit annual certification letter
Report by:	Chief finance officer

Classification

Open

Decision type

This is not an executive decision

Wards affected

(All Wards);

Purpose and summary

To review the external auditors certification letter in relation to the housing benefit subsidy claim for 2017/18 as submitted by Herefordshire Council. There were no significant matters arising from the audit to bring to the attention of the committee, the auditors are satisfied that the council had in place appropriate arrangements to compile complete, accurate and timely claims/returns for the audit certification.

This is one of a number of reports which the committee receives in order that it may provide independent assurance on the adequacy of the risk management framework together with the internal control of the financial reporting and annual governance processes.

Recommendation(s)

That:

- (a) the findings of the external auditor's certification letter for the housing benefit subsidy claim submitted by Herefordshire Council and attached at appendix 1 be reviewed and the committee confirm the letter provides satisfactory assurance of the work completed.**

Alternative options

1. There are no alternative options, the external audit housing benefit grant certification is required under the audit code of practice and forms part of the annual audit plan.

Key considerations

2. The audit certification relates to the housing benefit claim returned to the Department of Work and Pensions (DWP) as evidence for the subsidy funding claimed.
3. Appendix 1 sets out the certification letter from Grant Thornton on the housing benefit subsidy claim submitted by Herefordshire Council for 2017/18. There were no significant matters arising from the certification work of the £44.6m housing benefit subsidy claimed. The auditors are satisfied that the council had in place appropriate arrangements to compile complete, accurate and timely claims/returns for the audit certification.
4. No errors were found in the discovery testing and no amendments have been made.
5. At the time of preparing this paper Grant Thornton have not been able to certify that they have completed their statutory audits of Herefordshire Council for 2017/18 and 2016/17. As reported to the committee in September Grant Thornton are reliant on other parties and agencies carrying out a number of tasks, significant progress has been made since September, however the work of the other parties and agencies has not yet concluded. Accordingly, Grant Thornton are not yet able to issue the certificates for these previous years.

Community impact

6. One of the principles in the council's code of corporate governance is to implement good practices in transparency, reporting, and audit to deliver effective accountability. To support effective accountability the council is committed to reporting on actions completed and outcomes achieved, and ensuring stakeholders are able to understand and respond as the council plans and carries out its activities in a transparent manner. External audit contributes to effective accountability.

Equality duty

7.

Under section 149 of the Equality Act 2010, the 'general duty' on public authorities is set out as follows:

A public authority must, in the exercise of its functions, have due regard to the need to -

- (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
- (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
- (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

8. The public sector equality duty (specific duty) requires us to consider how we can positively contribute to the advancement of equality and good relations, and demonstrate that we are paying 'due regard' in our decision making in the design of policies and in the delivery of services. As this is a decision on back office functions, we do not believe that it will have an impact on our equality duty.

Resource implications

9. The indicative scale fee set by Public Sector Audit Appointments for the Council for 2017/18 was £5,806. In addition to this Grant Thornton populated the associated housing benefit workbooks for 2017/18 at a fee variation cost of £4,950 bringing the total certification cost to £10,756. The total fee cost is funded within the finance budget.

Legal implications

10. External audit is a legal requirement; this report provides an update on the approach being taken in line with legislative requirements.
11. Under the Local Audit and Accountability Act 2014 section 20(2) auditors make the completion of an audit by entering on the statement of accounts a certificate that the audit has been completed in accordance with the Act.

Risk management

12. The work completed has not identified any significant risks.

Consultees

13. None

Appendices

Appendix 1 Annual housing benefit certification letter for 2017/18

Background papers

None identified