

 Finance and Audit Scrutiny Committee 1 March 2011		Agenda Item No.
Title	External Audit Report – Certification of claims and returns – annual report	
For further information about this report please contact	Mike Snow 01926 456800 Mike.snow@warwickdc.gov.uk	
Service Area	Finance	
Wards of the District directly affected	N/A	
Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006	No	
Date and meeting when issue was last considered and relevant minute number		
Background Papers		

Contrary to the policy framework:	No
Contrary to the budgetary framework:	No
Key Decision?	No
Included within the Forward Plan? (If yes include reference number)	No

Officer/Councillor Approval		
With regard to officer approval all reports <i>must</i> be approved by the report author's relevant director, Finance, Legal Services and the relevant Portfolio Holder(s).		
Officer Approval	Date	Name
Deputy Chief Executive	15/2/11	Andy Jones
Chief Executive		
CMT		
Section 151 Officer		Author
Legal		
Finance		
Portfolio Holder(s)		
Consultation Undertaken		
Please insert details of any consultation undertaken with regard to this report.		
Final Decision?		Yes/No
Suggested next steps (if not final decision please set out below)		

1. SUMMARY

- 1.1.1 The Council's external auditors are required to audit several grants and returns that are prepared by council officers each year. This year a separate report has been issued on these claims and returns.

2. RECOMMENDATION

- 2.1 The Committee considers the Certification of Claims and Returns – Annual Report and if necessary agrees any further information required from either officers or the Council's auditors.

3. REASONS FOR THE RECOMMENDATION

- 3.1 The Certification of claims and returns – annual report should be considered by the Finance and Audit Scrutiny Committee. The external auditors will be present at the meeting to discuss the report and answer any questions.

4. ALTERNATIVE OPTION CONSIDERED

- 4.1 No alternatives are proposed as it is within the remit of the Committee to consider reports from the external auditors.

5. BUDGETARY FRAMEWORK

- 5.1 Overall, the cost of the grants audits is able to be contained within the overall budget for external audit, with the relevant service area charged for the cost of any service specific grants.

- 5.2 Of notable concern is the increased cost of the Housing and Council Tax Benefit claim. The 2008/09 audit cost £17k, increasing to £24k for 2009/10. Since 2007/08 (when the audit fees were around £38k) the auditors and officers have worked hard to reduce these fees, with officers now doing much of the detailed testing, as referred to in paragraph 13 of the report. The explanation for the increase is based on two factors:-

- As the 2008/09 audit followed a new approach, the auditors' file was subject to an informal internal review. The feedback provided was that they needed to better document what work they had carried out in some areas, implying they had reduced too much of their work in carrying out the 2008/09 audit .
- There was a new requirement that they used the workbooks to complete the additional testing and some other areas of the claim, such as modified schemes. The previous year this had not been done this as it is onerous. It was made clear that this was mandated for 2009/10.

The Audit Manager has confirmed their commitment to reducing testing where possible, and costs. Further discussions are due to take place with officers to see how this may be possible for the 2010/11 benefits claim audit.

6. POLICY FRAMEWORK

- 6.1 Bringing this report to members' attention is recognised as good governance.