

GRANT CERTIFICATION 2010/11
(Report by the Head of Financial Services)

1. INTRODUCTION

- 1.1 The Grant Certification Report highlights any issues arising from the three grant claims that our external auditors are required to certify.
- 1.2 This year's Letter is attached as Annex A and will be presented to the Panel by PWC.

2. CONTENT

- 2.1 The Report refers to the audit of 3 claims amounting to over £90M.
- 2.2 There were no issues with two of the claims - NNDR (£51M) and Disabled Facilities Grants (£0.5M).
- 2.3 The Benefits Claim (£40M) is by far the most complex and covers the processing of over 7,000 new claims per year and over 41,000 changes to claimant's circumstances.
- 2.4 This claim has to be submitted by 31 May and it is common for authorities to still be reviewing the figures after that date for subsequent adjustment. This process and the audit of the claim led to the audited claim being reduced by £9,159 due to:
- The Council getting a fix for a software bug identified before 31 May which, when installed, led to a reduction in the claim of just under £11k.
 - PWC identifying 4 errors of a one-off nature amounting to an increase in the claim of £1,713.
- 2.5 PWC also reported three areas of concern to the Department for Work and Pensions as follows:
- **Insufficient evidence.** An adjustment of £74 to an old item for which the original paper records had been destroyed under the normal retention policy. The Council considered the item valid based on the computer data held and the DWP have subsequently accepted this. ***The circumstances of such a historic adjustment where the paper records have been destroyed is probably unique so no action is proposed.***
 - **Inaccurate income assessment calculations.** PWC found one error which led to an over claim of 23p in the first sample of 20 cases. They therefore undertook a further sample check of 40 cases and found 4 errors amounting to just over £40 but,

because of the differing impacts of various types of item, this led to the Council under claiming by just £8.15. ***Despite the low values, steps were immediately taken to increase the level of checking carried out on claims with earnings in order to identify and attempt to eradicate further occurrences.***

- **Manual adjustments.** The software that the Council uses (along with about 140 other authorities) does not always provide a totally balanced summary for completing the Claim. In previous years there have been small variations which have been adjusted in DWP's favour. This year there were two cells on the claim out of balance, one of £33 and one of £113. There has to be an adjustment because the computerised claim form can only be submitted if it balances. This year, the adjustment was made in the Council's favour. If the adjustment had been significant additional investigations would have been undertaken to try and identify the relevant items. ***In future, any small balancing items that do not warrant the resources to resolve will be adjusted in the DWP's favour.***

3. FEES

- 3.1 Information relating to the level of fees charged for the review of grant claims can be found in Appendix A of the Grant Certification Report

4. RECOMMENDATION

- 4.1 The Panel are recommended to note the Auditor's report and the action already taken or planned.

BACKGROUND INFORMATION

Claims and relevant working papers

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