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| 6 February 2014 | | ITEM: 10 |
| Standards and Audit Committee | | |
| Report From Ernst And Young: Certification Of Claims And Returns Annual Report 2012-13 | | |
| Report of: Sean Clark, Head of Corporate Finance | | |
| Wards and communities affected: All | Key Decision: Non-Key | |
| Accountable Head of Service: Sean Clark, Head of Corporate Finance | | |
| Accountable Director: Graham Farrant, Chief Executive | | |
| This report is Public | | |
| Purpose of Report: For Committee to note the contents of the report | | |

EXECUTIVE SUMMARY

Attached to this paper is a report from Ernst and Young on the Certification of Claims and Returns Annual Report 2012-13. This will be presented by Ernst and Young.

1. RECOMMENDATIONS:

1.1 That the report attached at Appendix 1 and the agreed actions are noted.

2. INTRODUCTION AND BACKGROUND:

2.1 The Certification of Claims and Returns Annual Report 2012-13 was issued in January 2014. The certification of the individual claims and returns was completed between May and November 2013. The report sets out the detailed findings and is presented to the Committee by Ernst and Young who are happy to receive questions on the report. All findings have been accepted and agreed by officers.

3. ISSUES, OPTIONS AND ANALYSIS OF OPTIONS:

3.1 Ernst and Young were required to certify four claims and returns relating to the year 2012-13. This was reduced by one compared with the prior year as the Housing Subsidy claim is no longer required following the introduction of the housing self-financing regime. The summary position for each claim or return is:

- 3.2 Housing and Council Tax Benefits Subsidy claim – total value £71.9m - the work identified errors resulting in a £455 reduction in subsidy. The main concern raised from the work is over the classification and calculation of overpayments of benefits and this is accepted by the Council.
- 3.3 Teachers' Superannuation Return – total value £5.3m. This is the audit of the teachers' pension contributory pension scheme. A classification error was identified on the return which had no impact on the total value of the return submitted by the Council.
- 3.4 National-Non Domestic Rates Return – total value £93.0m. Amendments were identified relating to three areas. These increased the total amount payable to the Central Government pool by £1.05m. While the quality of the claim improved in 2012/13, recommendations have been made and accepted by officers to further raise standards. It is also noted the return will not be subject to audit in future periods following reforms to the NDR system.
- 3.5 Pooling of Housing Capital Receipts – total value £3.3m. There were minor amendments to the return with no overall impact on the amount submitted to Central Government.
- 3.6 The total fees for the audit of claims and returns was £30,954 a fall of 3.3% relative to 2011/12. This reflects an overall improvement in the quality of the claims submitted for audit. The indicative fees for 2013-14 will fall to £26,600 as the National-Non Domestic Rates return is not required to be certified in 2013-14.

4. REASONS FOR RECOMMENDATION:

- 4.1 The Committee is asked to note the findings of the report. Future reports to the Committee will contain updates on the recommendations raised.

5. CONSULTATION (including Overview and Scrutiny, if applicable)

- 5.1 The matters have been considered by this Committee. The detailed findings from the report have been discussed and agreed with relevant officers. They are also subject to the review of the Head of Corporate Finance.

6. IMPACT ON CORPORATE POLICIES, PRIORITIES, PERFORMANCE AND COMMUNITY IMPACT

- 6.1 There are no direct implications arising from this report in terms of the community and delivery of services.

7. IMPLICATIONS

7.1 Financial

Implications verified by: **Sean Clark**
Telephone and email: **01375 652010**
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The financial implications have been noted in the body of the report.

7.2 Legal

Implications verified by: **David Lawson**
Telephone and email: **01375 652087**
dlawson@thurrock.gov.uk

There are no specific legal implications of the report. The claims and returns are certified under section 28 of the Audit Commission Act 1998.

7.3 Diversity and Equality

Implications verified by: **Samson DeAlyn**
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There are no specific implications from this report.

7.4 Other implications (where significant) – i.e. Section 17, Risk Assessment, Health Impact Assessment, Sustainability, IT, Environmental

None

BACKGROUND PAPERS USED IN PREPARING THIS REPORT (include their location and identify whether any are exempt or protected by copyright):

- None

APPENDICES TO THIS REPORT:

- Appendix 1: Certification of Claims & Returns – Annual Report

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