

6. EXTERNAL AUDIT BUSINESS

REPORT OF: Head of Finance
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Wards Affected: All
Key Decision No

1. Purpose of Report

To inform the Committee of the External Auditor's Audit Plan Progress Report for 2016/17, and to present the Annual Report for the Certification of Claims and Returns.

2. Recommendations

The Audit Committee is recommended to:

- a. note the 2016/17 Audit Plan Progress Report;
 - b. note the Annual Report for the certification of Claims and Returns,
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3 2015/16 Audit Progress Report

- 3.1 Attached at Annex 1 is the Progress Report which outlines the position on the audit so far, and next steps. There are no issues of concern to report and we are comfortable that the audit will proceed smoothly this year
- 3.2 This annex also contains slides to show the revised Code of Practice for the Value for Money audit. The Audit Director will be able to elucidate on the points outlined.

4 Annual Report for the Certification of Claims and Returns

- 4.1 Annex 2 contains this report that sets out the findings from work to certify the Housing Benefit Subsidy claim. In essence, the audit identified some quality issues with the underlying claims and this has led to a qualification of the return.
- 4.2 This is now the fourth year that we have been qualified and is not unexpected given that qualification leads to an increased sample testing regime which is itself more likely to pick up errors in the caseload. 78% of all authorities are qualified and whilst it is not unknown to revert, once qualified our understanding is that it is very difficult to achieve unqualified status in subsequent years.
- 4.3 It should also be noted that this report describes a piece of work that is still in progress and subject to negotiation with the DWP. This is around the degree of the extrapolation that is reasonable within one of the tested samples. Officers are still quantifying the financial effect of this, and the underlying reasons and will verbally update the Committee on the latest position, although it is hoped to be below that described within the report.

5 Financial implications

5.1 There are no financial implications arising from this report. .

6 Equalities implications

6.1 The report raises no implications of this nature.

7 Risk analysis

7.1 No material risks arise from this report

Background Papers

None