

EXTERNAL AUDIT UPDATE

1 INTRODUCTION

- 1.1 Ernst & Young LLP are the Council's appointed auditors, undertaking the audit of Rushmoor Borough Council's financial statements and the certification of certain claims and returns submitted to central government or other grant-paying bodies.
- 1.2 While this work is governed by the statutory requirements of the Audit Commission Act 1998 and the Code of Audit Practice for local government bodies, this does not relieve management or the Licensing and General Purposes Committee, as those charged with governance, of their responsibilities.
- 1.3 Under s.28 of the Audit Commission Act 1998, the Audit Commission made arrangements for certifying claims and returns in respect of the 2014/15 financial year. These arrangements require the certification of the Housing Benefits Subsidy Claim.
- 1.4 The auditors have provided the following document for discussion:
 - Certification of Claims and Returns Annual Report 2014/15
- 1.5 A representative from Ernst & Young will present the key points of the document to the meeting and answer any questions arising.

2 2014/15 CERTIFICATION OF CLAIMS AND RETURNS ANNUAL REPORT

- 2.1 This report summarises the results of the certification work on the Council's major grant claim under the Housing Benefits Subsidy Scheme for the financial year 2014/15.
- 2.2 The report (attached at Appendix 1) describes the work carried out and the issues reported. I am pleased to report that the Department for Work and Pensions (DWP) will not be amending the Council's subsidy claim and will be awarding the full value of the claim (£37,307,517).
- 2.3 Although the errors reported by the auditor have not resulted in any financial loss to the Council, the team have taken steps to ensure that these are not repeated in the future. The team have undertaken to carry out monthly checks on a sample of wage claim calculations, per assessor, to ensure calculations are correct. This addresses the recommendations set out in section 4 of Appendix 1.

3 RECOMMENDATION

- 3.1 Members are requested to note the contents of this report and the attached updates from Ernst & Young.

**AMANDA FAHEY
HEAD OF FINANCIAL SERVICES**