

Certification of Grant Returns 2022-23 – Monmouthshire County Council

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Summary of certification work outcomes

- 1 Under Paragraph 20 of Schedule 8 to the Government of Wales Act 2006 the Auditor General shall, if required by a local government or other grant-receiving body, make arrangements for certifying grant returns.
- 2 We undertook our work with the aim of certifying individual returns and to answer the question:
‘Does Monmouthshire County Council (the Council) have adequate arrangements in place to ensure the production of co-ordinated, accurate, timely and properly documented returns?’
- 3 We have completed our certification work and conclude that the Council had generally sound arrangements in place for the production and submission of its returns. However, there remains some scope for improvement (particularly around the Housing Benefit return), and we are continuing to work with the Council to allow them to make these improvements for 2021-22 returns.

Introduction and background	<p>This report summarises the results of work on the certification of the Council’s 2022-23 grant returns.</p> <ul style="list-style-type: none">– As appointed auditors of the Council, we are asked on behalf of the Auditor General to certify grant returns made by the Council.– For 2022-23 we certified 5 grant returns with a total value of £50,592,407– We have produced this report so that we can provide feedback collectively to those officers having the responsibility for grant management so that we can work together to identify further improvements which can be made to improve the processes.
Certification results	<p>For the 5 returns, we issued 3 qualified certificate and 2 unqualified certificates.</p> <ul style="list-style-type: none">– The reasons for the qualification are summarised below in paragraph 6. In 21-22, 1 of our 5 certificates were qualified.
Audit adjustments	<p>No adjustments were required to any claims as a result of our audit work</p> <ul style="list-style-type: none">- We raised several observations however none required an amendment to the claimed amount. These observations are summarised in paragraph 6.

Fees

Our overall fee for certification of 2022-23 grant returns is £52,611

- This represents a reduction in cost when compared to 2020-21. The reasons for this decrease are set out in **paragraph 8**.

- 4 Detailed on the following page is a summary of the key outcomes from our certification work on the Council's 2022-23 grants and returns, showing where either audit amendments were made as a result of our work or where we had to qualify our audit certificate.
- 5 A qualification means that issues were identified concerning the Council's compliance with a scheme's requirements that could not be resolved through adjusting the return. In these circumstances, it is possible that the relevant grant-paying body will require further information from the Council to satisfy itself that the full amounts of grant claimed are appropriate.

Key information for 2022-23

Overall, we certified 5 grant returns:

- **Two returns were unqualified**
- **Three returns were qualified**
- **No returns required adjustments prior to certification**

Ref – Para 6	Grants and returns	Qualified certificate	Adjustment (>£10.000)	Adjustment (<£10.000)
1	National Non-Domestic Rates Return	Yes	-	-
2	Teachers' Pensions Return	Yes	-	-
3	Housing Benefit Subsidy	Yes	-	-
4	Section 33 Pooled Budgets	No	-	-
5	Health Act S28a and 28b Money transfers	No	-	-
	Total	3	-	-

6 This table summarises the key issues behind each of the adjustments or qualifications identified in the table above.

Ref	Summary observations	Amendment
1	National Non-Domestic Rates	-

Ref	Summary observations	Amendment
	<p>For properties claiming empty property relief we are required to obtain evidence that inspections or spot-checks have been undertaken by the Council or if an owner's statement of a property being empty has been taken at face value.</p> <p>For three properties in our sample, there was no evidence that spot-checks or inspections had been completed.</p> <ul style="list-style-type: none"> • In one case, photographs of an empty property had been provided by the ratepayer and an inspection was not deemed necessary by the Council. • In one case, the status of a property has not been reviewed for several years. • In one case, a landlord's statement that a tenant had vacated their property was accepted with no further evidence requested. <p>The total relief awarded to these three properties was £32,729.17.</p> <p>Our findings have been reported to Welsh Government in a qualification letter but no amendment to the claim was required.</p>	
2	<p>Teachers' Pensions</p> <p>Two individuals in our sample were noted as being opted out of the pension scheme but were still paying contributions to the pension scheme.</p> <ul style="list-style-type: none"> - In one case, the contributions paid were correct, but the opted out status had been incorrectly recorded. The individual has since retrospectively opted in and records have been updated. - In one case, the contributions had been made in error following the individual moving to a new post. Manual adjustments have been made and the contributions have since been refunded. 	-

Ref	Summary observations	Amendment
	<p>Further investigation found that of 19 teachers' opted-out of the scheme, 9 were still paying contributions, amounting to £27,730.30 employee contributions and £67,934.84 employer contributions being made.</p> <p>We have reported these findings to the Teachers' Pension Agency in a qualification letter pending further investigation by the Council.</p>	
3	<p>Housing Benefit Subsidy (observations only)</p> <p>Whilst we did not identify any amendments we raised several observations in our report to DWP.</p> <ul style="list-style-type: none"> – no standard rental agreements were in place for bed and breakfast cases. – An underpayment of benefit arising from rent not being uplifted appropriately. We are satisfied that this affects only a small number of cases where there are multiple entries for one address and that this issue will only result in underpayments of benefit. – Three cases of expenditure misclassification where the split of subsidy being claimed across two cells had been incorrectly calculated. We are satisfied, due to the nature of the misclassification that only an underclaim can arise. <p>We also note some amendments made to the final Housing Subsidy return following further work by the Council (which do not arise from our certification work). This arose from the Council completing a further reconciliation of the data as more information became available after the submission date.</p>	-
4	<p>Section 33 Pooled Budgets (amendment)</p> <ul style="list-style-type: none"> • No amendments or qualifications noted from our certification work. 	-
5	<p>Health Act S28a and 28b Money Transfers</p>	

Ref	Summary observations	Amendment
	<ul style="list-style-type: none"><li data-bbox="353 440 1189 469">• No amendments or qualifications noted from our certification work.	-
	Total effect of amendments	-

Fees

- 7 A breakdown of our fees is detailed below. The total fee for 2022-23 is slightly lower than the total for 2021-22.
- 8 This decrease in cost reflects the reduced number of findings, meaning less additional testing was required. This was offset by an inflationary increase in our fee rates.
- 9 In this paper we also provide an estimate of our fees for delivery of 2023-24 grant certification work. This estimate reflects a 6.4% inflationary increase in our fee rates in line with our 23-24 fee estimate.

Breakdown of fee by claim	2019-20	2020-21	2021-22	2022-23	2023-24 (Estimate)
Housing Benefit	£31,106	£31,944	£31,900	30,000.00	31,920
Section 33 NHS (Wales) Act 2006 Pooled Budgets	£2,920	£2,965	£3,000	3,861.67	4,140
Health Act S28a and 28b Money transfers	£3,065	£808	£2,000	3,300.00	3,510
National Non-Domestic Rates Return	£5,208	£8,995	£6,000	7,289.92	7,755
Teachers' Pension Return	£3,540	£3,348	£3,500	2,048.75	2,180
CI Grant Planning, Supervision & Review	£8,181	£9,130	£7,110	6,111.50	6,500
Total fee	£54,020	£57,190	£53,510	£52,611.84	£55,975

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