

Certification of Grant Returns 2021-22 – Monmouthshire County Council

Audit year: 2021-22

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- 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 2021-22 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 2021-22 we certified 5 grant returns with a total value of £50,435,835. – 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.
Timely receipt of returns	<p>For the 5 returns, three were received within established deadlines, with two received late.</p> <ul style="list-style-type: none"> – However, we note that these delays did not impact on our audit process at all. Further detail is provided in the table on page 6 below.
Certification results	<p>For the 5 returns, we issued 1 qualified certificate and 4 unqualified certificates.</p>

	<ul style="list-style-type: none"> – The reasons for the qualification are summarised below in paragraph 6. In 20-21, 4 of our 5 certificates were qualified.
Audit adjustments	<p>Adjustments were necessary to one of the Council’s returns as a result of our certification work.</p> <ul style="list-style-type: none"> – These adjustments related to the Section 33 Pooled Budget return. These adjustments were not significant in value and are detailed in paragraph 6.
Fees	<p>Our overall fee for certification of 2021-22 grant returns is £53,510</p> <ul style="list-style-type: none"> – This represents a reduction in cost when compared to 2020-21. The reasons for this increase 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 2021-22 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 2021-22

Overall, we certified 5 grant returns:

- **4 returns were unqualified**
- **1 return required adjustments prior to certification**
- **1 returns was qualified**

Ref – Para 6	Grants and returns	Claim due	Claim received	Late	Qualified certificate	Adjustment (>£10,000)	Adjustment (<£10,000)
1	National Non-Domestic Rates Return	27/05/22	26/05/23	No	Yes	-	-
2	Teachers' Pensions Return	31/05/22	31/05/22	No	No	-	-
3	Housing Benefit Subsidy	30/04/22	27/09/22 ¹	Yes	No	-	-
4	Section 33 Pooled Budgets	06/05/22	21/06/22 ¹	Yes	No	-	£6,483
5	Health Act S28a and 28b Money transfers	30/09/22	27/09/22	No	No	-	-
	Total				1	-	£6,483

¹ While the Housing Benefit Subsidy return and the Section 33 Pooled Budget return were both submitted for audit after the deadline set out in our Certification Instructions, these delays did not impact on the delivery of our certification work.

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

Ref	Summary observations	Amendment
1	<p>National Non-Domestic Rates (qualification only) The following matters were raised in the qualification letter:</p> <ul style="list-style-type: none"> Like many authorities across Wales, the ability for on-site inspections for empty property relief claims was severely hampered by the COVID-19 pandemic, as staff in the authority had to work from home or were diverted to other important work. For our sample test of empty property relief claims, a variety of evidence was provided by claimants to prove that properties were empty. However, the Council has not been able to obtain sufficient and consistent assurance that the property was empty for the claimed period for all properties. 	-
2	<p>Teachers' Pensions</p> <ul style="list-style-type: none"> No amendments or qualifications noted from our certification work. 	-
3	<p>Housing Benefit Subsidy (observations only) Whilst we did not identify any qualification matters and no amendments were required, we raised several observations in our report to DWP.</p>	-

Ref	Summary observations	Amendment
	<ul style="list-style-type: none"> – no application forms being available for 4 cases as they were held on an archived system and a copy was not retained. Other forms of evidence, such as correspondence with claimants, were available which confirmed a claim had been previously made. – no standard agreements in place for bed and breakfast cases. We were instead provided with invoices, however in some instances these invoices did not cover the full period being audited. – no evidence for number of rooms in the property for 1 case. The Council have informed us that they will include the number of rooms on future lease agreements. <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"> – There were transactions totalling £6,483 which related to the 2020-21 financial year, rather than 2021-22. As such, these transactions should not have been included in the 2021-22 pooled budget memorandum account and, following our audit work, have been removed in the revised return submitted by the Council. 	£6,483 reduction in the final return
5	<p>Health Act S28a and 28b Money Transfers</p> <ul style="list-style-type: none"> • No amendments or qualifications noted from our certification work. 	-

Ref	Summary observations	Amendment
	Total effect of amendments	£6,483 reduction in final returns

Fees

- 7 A breakdown of our fees is detailed below. The total fee for 2021-22 is slightly lower than the total for 2020-21. Our estimated fee for 2021-22 was £54,000.
- 8 This decrease in cost reflects the reduced number of qualifications from four in 2020-21 to one in 2021-22 meaning less extended testing was required.
- 9 In this paper we also provide an estimate of our fees for delivery of 2021-22 grant certification work.
- 10 Additional testing was required as part of our 2021-22 work on the Housing Benefit Subsidy return to follow up on issues identified in 2020-21. The reduction in the Estimated Housing Benefit audit fee for 2022-23 reflects that no issues were identified in 2021-22 that will require follow-up testing.

Breakdown of fee by claim	2019-20	2020-21	2021-22	2022-23 (Estimate)
Housing Benefit	£31,106	£31,944	£31,900	£26,400
Section 33 NHS (Wales) Act 2006 Pooled Budgets	£2,920	£2,965	£3,000	£3,200
Health Act S28a and 28b Money transfers	£3,065	£808	£2,000	£2,600
National Non-Domestic Rates Return	£5,208	£8,995	£6,000	£6,000
Teachers' Pension Return	£3,540	£3,348	£3,500	£4,000
CI Grant Planning, Supervision & Review	£8,181	£9,130	£7,110	£6,800
Total fee	£54,020	£57,190	£53,510	£49,000

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