

AUDIT AND GOVERNANCE COMMITTEE



Report subject	External Audit progress report including certification of grant claims (2018/19) for legacy Councils
Meeting date	23 January 2020
Status	Public Report
Executive summary	<p>The attached report provides an update to Members on the External Auditor's progress to date in delivering their responsibilities.</p> <p>Grant Thornton have carried out grant certification work on the Housing Benefit Subsidy claims for the three predecessor Councils and the annual Teachers' Pensions returns for legacy Bournemouth and Poole Councils. All claims have been certified with only some minor errors being identified.</p> <p>Work is ongoing on Pooling Housing Capital Receipts certification returns for legacy Bournemouth Borough Council and legacy Borough of Poole Council. Both returns have been certified with only a minor error being identified for the legacy Borough of Poole Council's return.</p> <p>The report also includes a summary of emerging national issues and developments that may be relevant to the Council. In particular, the report provides a presentation on the independent probe into local government audit ('The Redmond Review').</p>
Recommendations	<p>It is RECOMMENDED that:</p> <p>Audit & Governance Committee notes the External Auditor's progress to date in delivering their responsibilities and the sector update provided.</p>
Reason for recommendations	<p>To update Audit & Governance Committee on the External Auditor's progress to date in delivering their responsibilities (including the certification of grant claims for legacy Councils).</p> <p>To advise Audit & Governance Committee of emerging national issues and developments that may be relevant to the Council.</p>

Portfolio Holder(s):	Cllr Vikki Slade, Leader of the Council
Corporate Director	Julian Osgathorpe – Corporate Director Resources
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Wards	Council-wide
Classification	For Information

Background

1. During 2017, Public Sector Audit Appointments (PSAA) awarded contracts for audit for a five-year period beginning on 1 April 2018. This year (2019/20) is the second year of that contract and Grant Thornton are the appointed External Auditors for Bournemouth, Christchurch and Poole Council.
2. Grant Thornton, as the Council's External Auditors, have a responsibility to provide regular updates to those charged with governance (Audit & Governance Committee) on progress made in delivering their responsibilities.

External Audit Progress Report

3. The report attached at Appendix A details progress made by Grant Thornton in delivering their responsibilities as external auditors.

Grant Certification Work

4. The report states that Grant Thornton have certified the annual Housing Benefit Subsidy claims for the three predecessor councils in accordance with procedures agreed with the Department for Work and Pensions (DWP) and details identified errors and necessary amendments. All claims have been certified with only some minor errors being identified on some of the claims.
5. Details of work carried out by Grant Thornton to certify the Council's annual Teachers' Pensions returns in accordance with procedures agreed with Teachers' Pensions is also included in the report. Both legacy Bournemouth and Poole Council returns were certified with only a minor issue being identified for legacy Borough of Poole Council's return.
6. The report states that work is ongoing on Pooling Housing Capital Receipts certification returns for legacy Bournemouth Borough Council and legacy Borough of Poole.

Sector Update

7. The report also includes a summary of emerging national issues and developments that may be relevant to the Council (as a local authority) which includes;

- MHCLG – Independent probe into local government audit ('The Redmond Review')
- National Audit Office – Code of Audit Practice
- Financial Reporting Council – Summary of key developments for 2019/20 annual reports
- What is the future for local audit (Municipal Journal article by Grant Thornton)
- Grant Thornton's Sustainable Growth Index Report
- Institute for Fiscal Studies – English local government funding: trends and challenges in 2019 and beyond

Options Appraisal

8. An options appraisal is not applicable for this report.

Summary of financial implications

9. The 2019/20 fee letter is included within the agenda for this Committee.

Summary of legal implications

10. There are no direct legal implications from this report.

Summary of human resources implications

11. There are no direct human resources implications from this report.

Summary of sustainability impact

12. There are no sustainability impact implications from this report.

Summary of public health implications

13. There are public health implications from this report.

Summary of equality implications

14. There are no direct equality implications from this report.

Summary of risk assessment

15. There are no risk implications from this information report.

Background papers

None

Appendices

Appendix A – Grant Thornton - Audit Progress Report and Sector Update