

GOVERNANCE AND AUDIT COMMITTEE

Date of Meeting	Wednesday 2 nd June 2021
Report Subject	Certification of grants and returns 2019/20
Report Author	Corporate Finance Manager

EXECUTIVE SUMMARY

The Council's external auditors, Audit Wales are required to report annually on the certification of grant claims and returns and the annual report for 2019/20 is appended to this report. The number of grant claims certified has reduced significantly this year due to the Welsh Government no longer requiring certification of a number of its grant funded schemes.

The Finance Management Team and the services concerned have considered the report in detail and have addressed the specific findings contained in the report as required.

A number of recommendations have been made and all agreed management actions in response to the recommendations are in progress.

In relation to the overall grants total of £106.6m, the net adjustment to claims was a relatively small increase in the amount receivable to the Council of £133.

As a result of the reduced number of grants Internal Audit were asked to undertake a review of a sample of the remaining grants to provide additional assurance that adequate controls were in place and to help ensure that expenditure was being incurred in line with the relevant terms and conditions. Two grants were identified for review 1) Concessionary Fares (Revenue) and 21st Century Schools (Capital).

The conclusions from Internal Audit provide additional assurance that relevant controls and procedures are in place for grant management activity and are included in the report.

RECOMMENDATIONS

1	Members are requested to note the content of the Grant Claim Certification report for 2019/20 and the Internal Audit Review of Grants 2019/20.
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REPORT DETAILS

1.00	EXPLAINING THE GRANT CERTIFICATION REPORT 2019/20
1.01	The Councils external auditors, Audit Wales are required to report annually on the certification of grant claims and returns and the annual report for 2019/20 is appended to this report. The number of grant claims certified has reduced significantly this year due to the Welsh Government no longer requiring certification of a number of its grant funded schemes.
1.02	The Finance Management Team and the services concerned have considered the report in detail and have addressed the specific findings in the report as required.
1.03	In relation to the overall grants total of £106.6m, the net adjustment to claims was a relatively small increase in the amount receivable to the Council of £133.
1.04	As in previous years Officers will continue to work alongside Audit Wales to further improve the quality of the claims and to address specific issues as they arise.
1.05	Recommendations made by Audit Wales have been considered by Officers and responses on action to be taken are noted within the report and are in progress.
1.06	As a result of the reduced number of grants Internal Audit were asked to undertake a review of a sample of grants to provide additional assurance that adequate controls were in place and to help ensure that expenditure was being incurred in line with the relevant terms and conditions. Two grants were identified for review 1) Concessionary Fares (Revenue) and 21 st Century Schools (Capital).
1.07	The overall conclusions arising from the Internal Audit review were: <ol style="list-style-type: none">1) The expenditure submitted as part of the quarterly claims for the Concessionary Travel and 21st Century Schools grants, as well as the annual return for 21st Century Schools is verifiable and accurate.2) Signed Award of Funding letters were available for both grants tested to advise the value of the award and stipulate the Terms and Conditions of the grant.3) All required quarterly claims and the annual return for 21st Century Schools have been submitted in line with the respective grants' terms and conditions.4) Some delays have been identified in the submission of the quarterly claims for the Concessionary Travel Grant. Additionally, some of the quarterly claims have not been certified or signed at the required level prior to submission to Welsh Government.

	The figures stipulated in both claims have been verified. A number of transactions were chosen as part of a sample test for grant spend. Internal audit have been able to confirm the grant spend for the concessionary travel and the 21st Century Schools is in line with the conditions of the grant.
1.08	The conclusions from Internal Audit provide additional assurance that relevant controls and procedures are in place for grant management activity. Additional checks have been put in place with regards to certification at the appropriate level.

2.00	RESOURCE IMPLICATIONS
2.01	As set out in the report

3.00	CONSULTATIONS REQUIRED / CARRIED OUT
3.01	The report has been shared with staff with responsibility with dealing with grants.

4.00	RISK MANAGEMENT
4.01	As set out in the report

5.00	APPENDICES
5.01	Appendix 1 – Certification of Grants and Returns 2019-20, Audit Wales report

6.00	LIST OF ACCESSIBLE BACKGROUND DOCUMENTS
6.01	Contact Officer: Gary Ferguson – Corporate Finance Manager Telephone: 01352 702271 E-mail: gary.ferguson@flintshire.gov.uk

Grant: The annual external audit of the Council's Statement of Accounts.

Financial Year: a financial assistance mechanism providing money, property, or both to an eligible entity to carry out an approved project or activity.

Certification: A statement, signed by an applicant or grantee as a prerequisite for receiving funds, that it (1) meets or will adhere to certain conditions and/or (2) will undertake or not undertake certain actions.

Audit Wales: works to support the Auditor General as the public sector watchdog for Wales. They aim to ensure that the people of Wales know whether public money is being managed wisely and that public bodies in Wales understand how to improve outcomes.

Grant Completion Checklist: a template produced to determine the evidence and information required to be prepared to support a grant claim submission.

Revenue: a term used to describe the day to day costs of running the Council services and income derived from those services. It also includes charges for the repayment of debt, including interest, and may include direct funding of capital expenditure.

Budget: a statement expressing the Councils policies and service levels in financial terms for a particular financial year. In its broadest sense it includes both the revenue budget and capital programme and any authorised amendments to them.