



Certification of Grants and Returns 2018-19

Merthyr Tydfil County Borough Council

Summary

- We have completed our 2018-19 audit work (under Paragraph 20 of Schedule 8 to the Government of Wales Act 2006) and conclude:

‘The Authority generally has adequate arrangements in place for the production of co-ordinated, accurate, timely and properly documented grant claims and returns, though there is scope for further improvement’

- For 2018-19 we certified 8 grant claims with a total value of £48,104,692.02.
- The Authority submitted all but one 2018-19 grant claims to us on time and all were certified by us on time.
- No claims were qualified.
- Observation/covering letters were issued for 3 claims.

Changes in 2018-19

Communities First

- Programme completed in 2017-18, audit no longer required.

Free Concessionary Travel

- In 2017-18, this claim was consolidated into the LA99 summary statement. This year Welsh Government required a separate audit.

Housing Benefits

- The process has changed from HBCOUNT to HBAP.

Changes in 2018-19

21st Century Schools

- Funding received in 2018-19 (none in 2017-18 therefore audit not required last year).

Sustainable Waste

- Funding was previously part of the Single Revenue Grant. For 2018-19, the waste element was decoupled into a separate grant claim requiring audit.

Local Transport Fund

- Below our de minimis level of £100,000 in previous years. The 2018-19 claim exceeded this value so an audit was required.

Summary of certification work outcomes

Ref	Grants and returns	Late	Qualified certificate	Adjustment (>£10,000)	Adjustment (<£10,000)	Unqualified certificate	Observation /covering letter
1	BEN01 – Housing Benefit	No			✓	✓	✓
2	EDU18 – 21 st Century Schools	No				✓	
3	LA01 – NNDR	Yes				✓	
4	LA12 – Sustainable Waste	No				✓	
5	LA99 – Summary Statement	No				✓	✓
6	PEN05 - Teachers' Pension	No				✓	
7	TRA15 – Local Transport Fund	No				✓	
8	TRA23 – Free Concessionary Travel	No				✓	✓

BEN 01 Housing Benefits – observations and amendments

Errors identified:

- Rent allowances testing: 1 instance where earnings had been calculated incorrectly – total understatement £414.78
- Modified schemes testing: incorrect system parameter resulting in 19 instances of underpaid benefit – total understatement £198.58
- 2 claim cells not reconciling – adjustment of £1,520 required
- 2 claim cells not agreeing back to HB system – adjustment of £1 required

Resulting in:

- Issues being reported in a covering letter
- Increase in subsidy of £1.

LA99 Summary statement – observations

- Observation letter issued to the WG raised two points
 - For the Rapid Response Adaptations Scheme:
 - Evidence provided for total payment in advance to third party contractor. MTCBC monitors works carried out via a schedule from the third party but do not require any further financial backing information to be submitted. Also third party spend totalled £794 less than payment in advance.
 - For the Flying Start Capital Scheme:
 - One supplier was awarded a contract under a framework arrangement, in line with procurement rules, however the arrangement had expired in March 2018, prior to the work being awarded in February 2019.

Certification Fees

Breakdown of fee by grant/return	2018-19	2017-18
BEN01 – Housing Benefit	£23,937	£18,124
EDU18 – 21 st Century Schools	£1,624	
LA01 – NNDR	£2,448	£2,658
LA12 – Sustainable Waste	£2,159	
LA99 – Summary Statement	£3,066	£4,706
PEN05 – Teachers’ Pension	£1,129	£2,009
RG03 – Communities First		£7,954
TRA15 – Local Transport Fund	£2,221	
TRA23 – Free Concessionary Travel	£2,843	£1,226
Grants Admin	£4,327	£2,376
Total fee	£43,754	£39,053

Looking forward to 2019-20

- Welsh Government have decided not to seek external audit scrutiny by Wales Audit Office in the future in respect of local authority grant schemes.
- For grants over £100,000 an Annual Statement of Expenditure will need to be completed and submitted by the authority. If the funding is under £100,000, an Annual Statement of Expenditure will not be required
- Audits will still be required for Housing Benefit, NNDR and Teachers' Pension claims.

Thank you

Any questions?