



WALES AUDIT OFFICE
SWYDDFA ARCHWILIO CYMRU

Certification of Grants and Returns 2016-17 – Newport City Council

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Summary

- 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 claims and returns (referred to as grant claims hereafter).
- 2 We have completed the certification of claims and returns and conclude that the Authority had generally good arrangements in place for the production and submission of its 2016-17 grant claims. The Authority worked closely with us to ensure that an accurate and up-to-date schedule of grants was in place throughout the year.
- 3 For 2016-17 we certified 16 grant claims with a total value of £164.1 million compared to 16 grant claims with a total value of £149.8 million in 2015-16. The increase relates to:
 - 21st Century Schools – the claim for 2016-17 was £11.0 million compared to £0.5 million in 2015-16. The 2016-17 claim included £10.0 million of expenditure relating to Ysgol Gyfun Gwent Is Coed & John Frost School; and
 - Non Domestic Rates Return – the return for 2016-17 was £61.6 million compared to £57.2 million in 2015-16.
- 4 The Authority submitted all grant claims to us on time. This is an improvement from 2015-16, where one claim was submitted late. We can confirm that we have certified all of the claims, at a total audit cost of some £74,000 (2015-16: £71,000).
- 5 Four of the claims were qualified in 2016-17, compared to two in 2015-16. This does not indicate a significant issue with the compilation of grant claims – three of the four qualifications relate to delays in the signature of underlying contracts or agreements. Amendments to the claims themselves are also minor in value (£16,347 amended out of total expenditure of over £164 million).

Summary of certification work outcomes

- 6 Detailed on the following page is a summary of the key outcomes from our certification work on the Authority's 2016-17 grant claims, showing where either audit amendments were made as a result of our work or where we had to qualify our audit certificate.
- 7 A qualification means that issues were identified concerning the Authority's compliance with a scheme's requirements that could not be resolved through adjustment. In these circumstances, it is likely that the relevant grant-paying body will require further information from the Authority to satisfy itself that the full amounts of grant claimed are appropriate.

Key information	2016-17	2015-16
Grant Claims Certified:	16	16
Claims qualified with no amendment	1	1
Claims qualified and required some amendment	3	1
Claims unqualified but required some amendment	3	5
Claims unqualified with no amendment	9	9

	Grants and returns	Value of Grant / Return	Certification Status	Amendment Value	Reason for Qualification / Amendment	Other Comments
1	Teachers' Pension Return	£13,310,122	Qualified	£0	<p>Qualification</p> <p>Teachers' contributions were deducted at incorrect rates for four teachers as a result of adoption pay being incorrectly omitted from the pensionable pay calculation. This resulted in £515 incorrectly not being deducted.</p>	No Further Comments
2	Flying Start Revenue	£5,613,975	Qualified & Amended	£0	<p>Qualification</p> <p>Service Level Agreements (SLA) with Aneurin Bevan University Health Board used for the Flying Start Revenue scheme were signed after the start of the financial year.</p> <ul style="list-style-type: none"> • The Health Visiting Service SLA for £1,326,340 was signed in January 2017. • The Speech and Language Therapy Services SLA for £48,762 was sign in February 2017. <p>Amendment</p> <p>The 'Total Figure' for the Schedule of Projects had not been completed.</p>	No Further Comments

	Grants and returns	Value of Grant / Return	Certification Status	Amendment Value	Reason for Qualification / Amendment	Other Comments
3	Families First	£2,417,223	Qualified & Amended	£0	<p>Qualification Service Level Agreements (SLA) with third party organisations used for the Families First scheme were signed after the start of the financial year. SLAs totalling £1,183,073 were signed after June 2016.</p> <p>Amendment The 'Total Figure' for the Schedule of Projects had not been completed.</p>	No Further Comments
4	Section 28A Annual Voucher	£2,094,510	Qualified & Amended	£0	<p>Qualification The s28a agreement between Aneurin Bevan University Health Board and Newport City Council for the 'Learning Disabilities' scheme for £1,502,702 was retrospectively signed by Newport City Council on 8 December 2017.</p> <p>Amendment The return was required to be re-signed by the appropriate signatory.</p>	No Further Comments
5	21 st Century Schools	£10,990,000	Unqualified & Amended	£0	<p>Amendment The return was required to be re-signed by the by the appropriate signatory.</p>	No Further Comments

	Grants and returns	Value of Grant / Return	Certification Status	Amendment Value	Reason for Qualification / Amendment	Other Comments
6	Housing Benefit Subsidy	£57,040,924	Unqualified & Amended	£16,347	Amendment Number of adjustments resulting in an increase in subsidy claimed by the Council of £16,347.	No Further Comments
7	Free Concessionary Travel	£2,773,172	Unqualified & Amended	£0	Amendment The return was required to be re-signed by the by the appropriate signatory.	No Further Comments
8	Flying Start Capital	£879,000	Unqualified	£0	Not Applicable	No Further Comments
9	Substance Misuse Action Fund	£4,380,656	Unqualified	£0	Not Applicable	No Further Comments
10	Non Domestic Rates Return	£61,619,867	Unqualified	£0	Not Applicable	No Further Comments
11	Communities First – Central Cluster	£585,383	Unqualified	£0	Not Applicable	No Further Comments
12	Communities First – East Cluster	£602,320	Unqualified	£0	Not Applicable	No Further Comments
13	Communities First – West Cluster	£590,419	Unqualified	£0	Not Applicable	No Further Comments
14	Communities First – North Cluster	£611,336	Unqualified	£0	Not Applicable	No Further Comments

	Grants and returns	Value of Grant / Return	Certification Status	Amendment Value	Reason for Qualification / Amendment	Other Comments
15	Social Care Workforce Development Programme	£360,065	Unqualified	£0	Not Applicable	No Further Comments
16	Local Transport Fund	£244,000	Unqualified	£0	Not Applicable	No Further Comments
		£164,112,972				

Fees

- 8 Our overall fee for the certification of grants and returns has been contained within the original estimate of £82,000 within the 2017 Audit Plan.

Breakdown of fee by grant/return	2016-17	2015-16	2014-15
Teacher's Pension Return	£4,708	£4,820	£4,125
Flying Start Revenue	£4,280	£3,633	£4,163
Families First	£4,306	£3,822	£5,863
Section 28A Annual Voucher	£1,600	£1,729	£2,954
21 st Century Schools	£2,546	£2,037	£3,103
Housing Benefit Subsidy	£22,313	£20,626	£15,179
Free Concessionary Travel	£2,923	£2,899	£3,505
Flying Start Capital	£1,966	£2,093	£2,070
Substance Misuse Action Fund	£2,485	£2,842	£2,863
Non Domestic Rates	£2,877	£2,989	£3,217
Communities First – All Four Clusters	£10,045	£9,429	£9,708
Social Care Workforce Development Programme	£2,030	£2,093	£3,148
Local Transport Fund	£1,313	£1,385	£2,903
Grant Planning, Management and Review	£10,797	£10,523	£14,348
Total Fee	£74,189	£70,919	£77,149

Wales Audit Office
24 Cathedral Road
Cardiff CF11 9LJ

Tel: 029 2032 0500

Fax: 029 2032 0600

Textphone.: 029 2032 0660

E-mail: info@audit.wales

Website: www.audit.wales

Swyddfa Archwilio Cymru
24 Heol y Gadeirlan
Caerdydd CF11 9LJ

Ffôn: 029 2032 0500

Ffacs: 029 2032 0600

Ffôn testun: 029 2032 0660

E-bost: post@archwilio.cymru

Gwefan: www.archwilio.cymru