



WALES AUDIT OFFICE
SWYDDFA ARCHWILIO CYMRU

Certification of Grants and Returns 2015-16 – **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 2015-16 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 2015-16 we certified 16 grant claims (total value of £149.8 million) compared to 18 grant claims (total value of £154.7 million) in 2014-15. This decrease relates to (1) Sustainable Waste Management Grant - Welsh Government removed the requirement for certification of this grant; (2) EU Project, Pillgwenlly Regeneration Initiative - 2014-15 was the final claim for this EU project.
- 4 One claim was submitted to us late by seven calendar days (Free Concessionary Travel). This is an improvement from 2014-15, when three claims were submitted late. The final cost of auditing all claims is £71,000 (2014-15 £82,000).
- 5 Two of the claims were qualified; this compares well against 2014-15 where ten claims were qualified.

Summary of certification work outcomes

- 6 Detailed on the following page is a summary of the key outcomes from our grants certification work on the 2015-16 claims and returns, 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 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 Council to satisfy itself that the full amounts of grant claimed are appropriate.

Exhibit 1: key information for 2015-16

Key information for 2015-16
<p>Overall, we certified 16 grants and returns:</p> <ul style="list-style-type: none">One was qualified with no amendmentOne was qualified and required some amendmentFive were unqualified but required some amendmentNine were unqualified with no amendment

Exhibit 2: Summary of the key outcomes from our grants certification work

	Grants and returns	Certification Status	Amendment Value	Reason for Qualification / Amendment	Value of Grant/ Return	Other Comments
1	Substance Misuse Action Fund	Qualified	£0	Insufficient information to support expenditure of £70,000 incurred by a third party - Aneurin Bevan University Health Board.	£4,380,510	No further comments
2	Teachers' Pension Return	Qualified & Amended	£0	<p>Qualified on the following items:</p> <p>(a) the contributions paid' in the return is £321 lower than that notified by Teachers' Pension End of Year Certificate;</p> <p>(b) for one teacher, the teachers' contribution was incorrectly not deducted for the period April 2015 for the amount of £39; and</p> <p>(c) for a limited number of individuals, the contributory salary and teachers' contribution are not correctly classified in Section 3 of the return.</p> <p>Amendment The return was required to be re-signed by the appropriate signatory.</p>	£12,561,602	No further comments

	Grants and returns	Certification Status	Amendment Value	Reason for Qualification / Amendment	Value of Grant/ Return	Other Comments
3	Housing Benefit Subsidy	Unqualified & Amended	£373	Number of adjustments resulting in an overall increase in subsidy claimed by the Authority of £373.	£58,614,120	No further comments
4	Communities First – Central Cluster	Unqualified & Amended	£0	The return was required to be re-signed by the appropriate signatory.	£573,498	Testing identified that the 'management recharges' had exceeded the cap by £8. As this was below the £10,000 threshold required for adjustments (as set by Welsh Government) no amendment was made to the claim.
5	Communities First – East Cluster	Unqualified & Amended	£0	The return was required to be re-signed by the appropriate signatory.	£608,313	No further comments
6	Communities First – West Cluster	Unqualified & Amended	£0	The return was required to be re-signed by the appropriate signatory.	£593,510	No further comments

	Grants and returns	Certification Status	Amendment Value	Reason for Qualification / Amendment	Value of Grant/ Return	Other Comments
7	Communities First – North Cluster	Unqualified & Amended	£0	The return was required to be re-signed by the appropriate signatory.	£607,091	Testing identified: (a) An over claim of £644, where the salary claimed exceeded the limited for a particular post. When extrapolated, the value of the error was £1,516. (b) An over claim of £52 for an accrual. As the total errors were below the £10,000 threshold required for adjustments (as set by Welsh Government) no amendment was made to the claim.
8	Families First	Unqualified	£0	Not applicable	£2,722,379	No further comments
9	National Non Domestic Rates	Unqualified	£0	Not applicable	£57,241,037	No further comments
10	21 st Century Schools	Unqualified	£0	Not applicable	£472,296	No further comments
11	Section 28A Annual Voucher	Unqualified	£0	Not applicable	£2,094,508	No further comments

	Grants and returns	Certification Status	Amendment Value	Reason for Qualification / Amendment	Value of Grant/ Return	Other Comments
12	Social Care Workforce Development Programme	Unqualified	£0	Not applicable	£357,872	No further comments
13	Flying Start Revenue	Unqualified	£0	Not applicable	£5,268,761	Testing identified errors totalling £5,261 in relation to over accruals (over claim). When extrapolated, the value of the error was £7,599. As this was below the £10,000 threshold required for adjustments (as set by Welsh Government) no amendment was made to the claim.
14	Flying Start Capital	Unqualified	£0	Not applicable	£594,088	Testing identified errors totalling £6,024 in relation to over accruals (over claim). When extrapolated, the value of the error was £9,687. As this was below the £10,000 threshold required for adjustments (as set by Welsh Government) no amendment was made to the claim.

	Grants and returns	Certification Status	Amendment Value	Reason for Qualification / Amendment	Value of Grant/ Return	Other Comments
15	Local Transport Fund	Unqualified	£0	Not applicable	£318,000	No further comments
16	Free Concessionary Travel	Unqualified	£0	Not applicable	£2,754,096	No further comments
				Total	£149,761,681	

Fees

- 8 Our overall fee for the certification of grants and returns has been contained within the original estimate of £82,000 within the 2016 Audit Plan.

Exhibit 3: Fees

Breakdown of fee by grant/return	2015-16	2014-15	2013-14
Substance Misuse Action Fund	£2,842	£2,863	£2,141
Teachers' Pension Return	£4,820	£4,125	£3,935
Housing Benefit Subsidy	£20,626	£15,179	£28,335
Communities First – All Four Clusters	£9,429	£9,708	£9,575
Families First	£3,822	£5,863	£3,258
National Non Domestic Rates	£2,989	£3,217	£4,641
21 st Century Schools	£2,037	£3,103	Not applicable
Section 28A Annual Voucher	£1,729	£2,954	£1,813
Social Care Workforce Development Programme	£2,093	£3,148	£3,436
Flying Start Revenue	£3,633	£4,163	£5,236
Flying Start Capital	£2,093	£2,070	£4,564
Local Transport Fund	£1,385	£2,903	Not applicable
Free Concessionary Travel	£2,899	£3,505	£2,467
Grant Planning, Management and Review	£10,523	£14,348	£7,037
Total Fee	£70,919	£77,149	£76,438

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