

**Open Report on behalf of Pete Moore,
Executive Director Resources & Community Safety**

Report to:	Audit Committee
Date:	21 March 2011
Subject:	External Audit Certification of Claims & Returns- Annual Report for 2009/2010

Summary:

The report at Appendix A summarises the findings from the certification of 2009/10 claims.

Recommendation(s):

That the Committee considers the report and identifies any issues it wants to raise.

Background

Funding from government grant paying departments is an important income stream for the Council. Although the number of claims subject to external audit has reduced in recent years, the Council needs to manage claiming the income carefully and meet the conditions attached to these grants.

The report at Appendix A identifies the work undertaken by the external audit team on five claims or returns with a total value of £101m.

The report identifies a significant finding of a qualification letter to the grant paying body in respect of the 2007/08 Connexions grant claim.

The County Council took responsibility for the operation of the Connexions service from 1st April 2008 following a change in legislation. Some of the infrastructure and resources of the previously independent Connexions organisation transferred to the County Council at that time.

The Council therefore had to coordinate the final grant claim for the final year of the old Connexions organisation albeit that it had no oversight or control of that entity in its final year of independent operation.

The Council has spent considerable time attempting to track relevant records and individuals employed by the old Connexions service to enable submission of a comprehensive claim.

Ultimately it did not prove possible to completely reconcile all aspects of the finances relating to the 2007/08 accounts of what was then a body wholly independent from the County Council.

There is no suggestion of any misappropriation or misuse of funds by the old Connexions entity. The submission of the qualified return has not resulted in any requests for grant reimbursement.

It is pleasing to note that another significant finding was that the quality of supporting evidence relating to the annual teachers superannuation return has improved considerably.

Conclusion

Apart from the Connexions claims external audit were able to issue audit certificates on or before the deadline set by the relevant departments.

Consultation

a) Policy Proofing Actions Required

n/a

Appendices

These are listed below and attached at the back of the report	
Appendix A	External Audit Certification of Claims & Returns -Annual Report for 2009/2010

Background Papers

The following background papers as defined in the Local Government Act 1972 were relied upon in the writing of this report.

Document title	Where the document can be viewed
N/A	

This report was written by David Forbes, who can be contacted on 01522 55 or david.Forbes@lincolnshire.gov.uk.