

# Certification of Grants and Returns 2021-22 – Denbighshire County Council

Audit year: 2021-22

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Mae'r ddogfen hon hefyd ar gael yn Gymraeg. This document is also available in Welsh.

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# Summary report

## 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 undertook our work with the aim of certifying individual claims and to answer the question:  
'Does Denbighshire County Council (the Authority) have adequate arrangements in place to ensure the production of co-ordinated, accurate, timely and properly documented grant claims?'
- 3 We have completed the audit and conclude that the Authority has adequate arrangements in place, demonstrating improved arrangements for the production and submission of its grant claims, when compared to the prior year.
- 4 For 2021-22 we certified six grant claims worth £69.3 million (2020-21: 7 claims totalling £187.4 million).
- 5 Detailed on the following pages is a summary of the key outcomes from our certification work on the Authority's 2021-22 grants and returns, showing where either audit amendments were made as a result of our work or where we had to qualify our audit certificate.
- 6 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.

## Headlines

### Exhibit 1:

#### Introduction and background

#### **This report summarises the results of work on the certification of the Authority's 2021-21 grant claims and returns**

- As appointed auditors of the Authority, we are asked on behalf of the Auditor General, to certify grant claims made by the Authority.
- For 2021-22, we certified six grants with a total value of £69.3 million.
- We have produced this report so that we can provide feedback collectively to those officers having the responsibility for grant management so that we can work together to identify further improvements which can be made to your processes for preparing and co-ordinating the accurate, timely completion of grant claims and returns.

<p><b>Certification results</b></p>	<p><b>We issued unqualified certificates for five grants and returns but a qualification was necessary in one case for Housing Benefit Subsidy.</b></p> <p>The reasons for qualifying the Housing Benefit subsidy are set out below, the issues can be grouped into ongoing issues and those outside the Authority's control.</p> <p><b>Qualification issues reported in previous financial years</b></p> <ul style="list-style-type: none"> <li>• Error type 3 – Misclassification of Housing Benefit expenditure.</li> <li>• Error type 4 – Insufficient supporting information.</li> </ul>
<p><b>Audit adjustments</b></p>	<p><b>Adjustments were necessary to two of the Authority's grants and returns as a result of our auditor certification work this year</b></p> <ul style="list-style-type: none"> <li>• The Housing Benefit Subsidy was subject to amendments which totalled £3,090, the net impact of which decreased the subsidy balance owed to the Authority by £2,389.</li> <li>• The Social Care Wales Workforce Development Programme claim was subject to amendment which had nil financial impact on the amount claimed by the Authority.</li> </ul>
<p><b>The Authority's arrangements</b></p>	<p><b>The Authority has adequate arrangements for preparing its grants and returns and supporting our certification work.</b></p>

## Summary of certification work outcomes

- 7 Detailed on the following page is a summary of the key outcomes from our certification work on the Authority's 2021-22 grants and returns, showing where either audit amendments were made as a result of our work or where we had to qualify our audit certificate.
- 8 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.

### Exhibit 2: key information for 2021-22

#### Key information for 2021-22

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Overall, we certified six grants and returns:

- **BEN01 was qualified with amendment;**
- **SOC07 was unqualified with amendment; and**
- **LA01, PEN05 and the two HLG01 grants were unqualified without amendments.**

**Exhibit 3:**

Ref – Para 8	Grants and returns	Claim due	Claim received	Late	Qualified certificate	Adjustment (>£10,000)	Adjustment (<£10,000)
BEN01	Housing Benefit Subsidy	30/04/22	30/04/22	No	Yes	£nil	£3,090
LA01	Non-Domestic Rates	27/05/22	27/05/22	No	No	£nil	£nil
PEN05	Teachers Pensions	30/06/22	30/06/22	No	No	£nil	£nil
SOC07	Social Care Workforce Development	30/09/22	30/09/22	No	No	£nil	*£nil
HLG01	Pooled Budgets – Community Equipment Services	06/05/22	06/05/22	No	No	£nil	£nil
HLG01	Pooled Budgets – Health & Social Care Support Workers Service	06/05/22	06/05/22	No	No	£nil	£nil
	<b>Total</b>				<b>1</b>	<b>£nil</b>	<b>£3,090</b>

\* Amendments made but no financial impact on the claim due to the nature of the error.

9 This table summarises the key issues behind each of the adjustments or qualifications that were identified on pages 5 to 6.



**Exhibit 4:**

Ref	Summary observations	Amendment
BEN01	<p><b>Housing Benefit and Authority Tax Subsidy</b></p> <ul style="list-style-type: none"> <li>• Testing of headline Cell 094 identified one claim where the Authority had entered incorrect figures for gross pay and pension contributions. A further 40 cases were tested where the cases included earnings, which identified one further error. <i>Error type 4: insufficient supporting documentation [£20]</i></li> <li>• Testing of Cell 096 identified three cases where the claimant did not meet the criteria of being vulnerable as defined by regulations, meaning the expenditure relating to these claims should have been included in Cell 097 <i>Error type 3: expenditure misclassification [£3,070]</i></li> <li>• The impact of these amendments was to reduce the total subsidy claimed and owed to the Authority by £2,389.</li> <li>• These matters have been reported to the Department for Work and Pensions.</li> </ul>	£3,090
	<b>Total effect of amendments to the Authority's claims and returns</b>	<b>£3,090</b>

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