

Grant Claims and Returns

Wirral Metropolitan Borough Council

Audit 2006/07

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4 Grant Claims and Returns

Introduction

- 1 The Audit Commission, under section 28 of the Audit Commission Act 1998, is required to make arrangements for certifying claims and returns in respect of grants and subsidies made or paid to the Council. The certification work is carried out by using certification Instructions (CIs) created by the Audit Commission in conjunction with the grant paying body. These CIs specify a series of tests to be carried out on each grant claim/return.
- 2 This year the number of claims that require audit certification has reduced. The Audit Commission has also raised the threshold for grants that require certification.
- 3 The Audit Commission's certification arrangements are proportionate to the amount of the grant involved. The certification arrangements that applied in 2006/07 are summarised below.
 - Claims less than £100,000 do not require certification.
 - Claims between £100,000 and £500,000 require limited assurance testing.
 - Claims greater than £500,000 will require the control environment to be analysed. If it cannot be relied upon then full CI testing will be applied. If it can be relied upon then restricted testing will be completed.
- 4 The financial limits are by reference to the total amount claimable and not the grant allocation or the total eligible expenditure. For projects the financial limit is by reference to the total amount claimable over the lifetime of the project.
- 5 This report summarises the findings from our certification work on grant claims and returns in 2006/07.

Background

- 6 The number and value of grant claims that require audit certification is significant to the Council. It is essential that their compilation and submission is managed effectively so that claims can be audited efficiently and meet submission deadlines. This will ensure the Council does not suffer penalties from grant paying bodies, incur unnecessary high audit fees and lose the cash flow advantages of early submission of claims.
- 7 The audit arrangements at Wirral follow the Commission's policy to reduce the audit burden for grant claims by adopting a risk based approach which assesses the control environment for each claim. This year we have issued feedback on weaknesses in the control environment to the appropriate Director responsible for the submission of each grant claim. These are copied to the Grant Claim co-ordinator.

- 8 The Council have been proactive in developing good management arrangements for the submission of grant claims by establishing the following procedures.
- After consultation with the Audit Commission a Grants Manual was established in 2005. This provides documented procedures on the role and responsibilities of the Grant Claim compilers and Grant Claim Co-ordinator.
 - A claims register is maintained by the Grant Claim Co-ordinator which is used to monitor the completion and submission of claims to audit.
 - The Claims Co-ordinator ensures copies of CIs are obtained from the Audit Commission and disseminated to compilers of grant claims.
 - Training sessions for compilers of claims have been arranged which ensure CI requirements have been understood.

Main conclusions

- 9 We have now substantially completed our 2006/07 grant claims programme. Work on seven ERDF claims was deferred from 29 November 2007 following a decision by CLG to move to a risk based approach for the requirement of independent audit certification. The Audit Commission issued Certification Instruction EUR01 at the end of March 2008. This provided a list of outstanding 2006/07 ERDF claims that require certification by 30 June 2008. There are three ERDF claims on this list which we have not certified. One of these claims is currently being audited while the other two have not been submitted to us for certification.
- 10 There was a significant delay in certifying the Connexions grant claim due to obtaining archived documentation and the audited accounts for the Greater Merseyside Connexions Partnerships. The claim which was due to be certified before 30 November 2007 was eventually certified on 20 February 2008.
- 11 The Council's arrangements for the management of grant claims over the last few years have encompassed many areas of good practice. These have been maintained to a large extent in 2006/07. However, a number of issues arose in 2006/07 where procedures could have been done better. These include the completeness of the claims data base and the robustness of the quality assurance checks. These areas require refreshing in 2008/09.
- 12 The quality of working paper files and the audit trail to prime documentation has generally been maintained at a good standard.
- 13 The 2006/07 grant claim and certification programme is summarised in Table 1 below. Around 22 per cent of claims were either amended, qualified or both this year, compared with 32 per cent in 2005/06. The table indicates that:
- grants were reduced by £174, 000 due to errors or poor evidence in the 2006/07 claims. The claims where grant was reduced were Housing and CTB £124,000 and General Sure Start £49,000;

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- the proportion of claims that were qualified has reduced slightly. Four ERDF claims were qualified because the Council was unable to demonstrate full compliance with the EC procurement regulations for works contracts. Further information on this issue is provided in paragraph 17;
- the total value of amendments to claims and the proportion of claims requiring amendment fell slightly. This is primarily due to a significant amendment of £167,000 in 2005/06 in respect of the Wirral Waterfront SRB which did not re-occur this year; and
- total qualified expenditure was £380,200. Qualified expenditure is where we have reported matters arising in our qualification letters to Government Departments. This figure represents the expenditure reported in our qualification letter for the Housing & Council Tax benefits scheme grant claim to the DWP.

Table 1 Summary of certified grant claims and returns

	2006/07	2005/06
Total number of claims and returns	32	44
Total value	£178454,683	£191,0131,000
Number of claims amended	7	14
Proportion of claims with amendments	22%	32%
Value of adjustments to claims (net)	-£173,582	-£228,069
Number of qualification letters issued	8	14
Proportion of claims with qualifications	25%	32%
Qualified expenditure	£380,200	£978,623

Source: Audit Commission statistics

- 14 The value of amendments agreed with the Council fell this year from a reduction in grant of £228,000 in 2005/06 to £174,000 in 2006/07. The most significant amendment has been a reduction in grant on the Housing and Council tax benefits scheme of £124,000. This was due to the incorrect posting of technical HRA overpayments; the exclusion of Academy rent officer referral figures from cell 106, and adjustments affecting cell 101 for new scheme rent officer referrals. In addition our qualification letter issued to the DWP following our testing of the housing benefit claim highlighted several issues where the expenditure was qualified. We are planning to issue a separate report that will provide more detail on the action necessary to address the matters arising from our testing of the housing benefit claim. The only other significant amendment from our grant claims testing was a reduction of £48,000 on the General Sure Start claim for ineligible expenditure against Extended Schools capital expenditure.

- 15 All the errors and issues arising from our audit have been listed by type in Appendix 3. Some of the most common errors are:
- classification of other sources of funding errors on ERDF claims; and
 - cell entries on claims not agreeing to the financial ledger.
- 16 The last error above may have been identified by the Grant Claim Co-ordinator if a more rigorous quality assurance review was carried out. Other errors should have been identified by compilers of the claims from a scrutiny of the requirements of the certification instructions. We have given feedback on errors and amendments to the Grant Claim Co-ordinator and the Director for the department responsible for the claim via our Directors letters for each individual claim.
- 17 Appendix 1 provides a summary of the outcomes from our certification work for 2006/07 in respect of meeting submission deadlines, qualification issues and whether the claim was amended. Significant matters identified during the year included:
- four final ERDF claims on gap funded projects managed by private developers were qualified because tendering was not undertaken for all works contracts in line with EU procurement directives. We understand that the work not tendered by the developers included work classified by the Council as overheads, preliminary work and design fees. The Council consider that tendering arrangements by commercial organisations in the private sector are not covered by EC procurement rules and that current tendering has met previous testing requirements. We are waiting for the Government Office's view on this matter;
 - in its role as the accountable body for the Children's Fund grant, the Council did not undertake a review of external partners' financial systems nor carry out random checks on expenditure carried out by external service providers. This is requirement under the terms and conditions for Children's Fund grant; and
 - there were significant delays in respect of the General Sure start Childcare and Children's Fund grant submitted by the Children and Young Persons directorate.

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Recommendations

R1 The Grant Claim Co-ordinator should review the errors listed in Appendix 3 and be aware of any further issues that could be identified from improving the quality assurance process on claims before they are sent to the Audit Commission.

R2 Grant Claim compilers should review Certification Instructions and ensure that the claims and working papers provide the information which will satisfy grant claim conditions and meet audit requirements. They should ensure that transactions included in grant claims are properly authorised as eligible expenditure for grant.

R3 The Council should liaise with the Government Office to ascertain whether the current tendering arrangements for projects funded by ERDF funding meet EU procurement requirements.

Detailed findings

- 18 Our detailed findings are noted below.

Timeliness of claim submission

- 19 Seventeen claims were submitted for audit late this year compared to 12 claims received late last year. Although the proportion of claims submitted late has increased from 27 per cent to 32 per cent the proportion of claims received more than five days late has increased from 18 per cent to 22 per cent.
- 20 There were significant delays in the submission of two claims from the Children's and Young People Directorates. The General Sure start Childcare grant was received 113 days after the submission deadline and the Childrens Fund grant 86 days late. The General Sure Start experienced delays due to difficulty of finding documents and the absence of the compiler through sickness. The Childrens Fund was late due to a misunderstanding between officers of the Council where one officer incorrectly thought the claim had already been sent to audit.
- 21 This year we were asked by the Council to give priority to certifying five Final ERDF claims before the end of November 2007 to facilitate requests made to the Council by the GONW to avoid decommitment. We were able to meet this request.

Recommendation

R4 The Grant Claim Co-ordinator should carry out the following procedures:

- *monitor the submission of grant claims and ensure that claims are received sufficiently in advance of the submission date to the auditor to ensure the Co-ordinator has sufficient time to review claims;*
- *notify the grant paying body and audit when claims are going to miss submission deadlines. An estimate of the date of submission should be provided; and*
- *ensure that where extensions have been granted by the grant paying body the extension gives the auditor three months from the date submission to certify the claim.*

Control environment

- 22 The control environment for most of the claims prepared by the Council was assessed as not being sufficiently strong to enable us to reduce our level of testing. Out of 24 claims where the control environment has been assessed we did not rely upon the control environment for 21 claims (87 per cent). This compares to an already high proportion last year of 77 per cent.

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23 Appendix 2 provides the reasons why the control environment was not relied upon for each claim. It should be noted that a number of factors influencing our assessment may not have been directly within management's control in 2006/07. Examples are where issues arose in the previous year's audit of the claim or where the Council has had to provide a new compiler for a claim when an officer has left. The appendix identifies all the factors influencing our assessment of the control environment. Some of the factors that we consider are within management control and which the Council will want to address in advance of the next years claims include:

- significant journal transfers to correct miscodings to the account codes supporting grant claim expenditure;
- late submission of claims; and
- lack of comprehensive working papers.

Recommendation

R5 The Grant Claim Co-ordinator should identify those factors in the control environment from Appendix 2 that are within management control and provide guidance to compilers of claims which will address such issues.

Grant claim co-ordination

24 The Council has developed good grant claim co-ordination arrangements which are supported by a Grant Manual. The role and responsibilities of the Co-ordinator outlined in the Manual represent good practice and will contribute to ensuring the efficiency of the planning process and the timely delivery of certified forms to grant-paying bodies. In particular, adherence to the procedures in the manual ensure the following key objectives are met:

- identifying which claims and returns are relevant to the audited body;
- identifying who is responsible for their preparation;
- maintaining a schedule of claims and returns;
- ensuring delivery of claims and returns to the auditor by the deadline; and
- ensuring that the quality of supporting working papers is consistent with agreed protocol.

- 25 However, at a critical time of the grant claim cycle in September a vacancy for the Grant Claim Co-ordinator role meant that liaison with key contacts in the departments that raise grant claims was reduced. Liaison with the Audit Commission was maintained at periodic meetings and most procedures outlined in the manual were maintained. However, a number of procedures could have been improved.
- The claims and returns register was not kept fully up to date. A number of ERDFs on the register did not apply to 2006/07 and some ERDFs were missing from the register. One significant NWDA Single programme grant claim was not recorded.
 - A number of grant claims were received late. In some cases deadlines for submitting uncertified claims to grant paying bodies was met but the submission date to the Audit Commission was not achieved.
 - The Grants Manual has not been updated for changes made to the Commissions Certification arrangements. The Grants Manual should be updated for significant changes to the thresholds that determine which claims require audit certification.
 - A number of claims were received by the Audit Commission where the grant entitlement was below the current threshold for audit certification.

Recommendation

R6 The Grant Claim Co-ordinator should ensure that the claims and returns register is kept up to date, and should up date the Grants Manual for changes made to the Audit Commission certification arrangements where appropriate.

The way forward

- 26 The Council has appointed a new officer who will be responsible for the Grant Claim Co-ordination role from January 2008. The role and responsibilities for this role are well defined in the Council's Grant Manual. The Manual outlines procedures which represent good practice. They will enhance the efficiency of the planning process and the timely delivery of certified forms to grant-paying bodies. The summary findings together with recommendations detailed in the Action Plan at Appendix 4 are provided to support the Council in addressing the issues identified from our certification work. The Council has established many areas of good practice over the last few years. However, there are a number of areas where it is necessary to ensure documented procedures are consistently applied. Key actions for 2007/08 include:
- improve the completeness of the Claims and returns register which will be used to monitor the processing of all claims and returns;
 - ensure that the procedures documented in the Grant Manual are applied consistently over the year;

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- address those factors that are within management control that have influenced our assessment of the control environment to carry out further testing; and
- review the errors and amendments identified from our certification work and provide guidance to grant claim compilers which address these issues.

Appendix 1 – Outcome of the 2006/07 grant claims programme

1 This table shows the results in CI number order

C.I.	Claim Description	Final date for LA Completion	Actual date submitted for audit	Days late	Claim amended and/or qualified	Amendment/ Qualified Expenditure	Reason for Qualification/other comment
BEN01	Housing & Council tax benefits scheme	31-May-07	31-May-07	-	amended & qualified	-£124k (amended). -£639k (qualified)	<p>1. Entitlement per case on the Northgate subsidy package does not always agree to that calculated on the system. This does not arise on the new Academy system.</p> <p>2. Total payments on the Subsidy package could not be reconciled to the financial ledger. There was a difference of £437 k for Rent Allowances..</p> <p>3. The internal balancing reconciliation on Academy has not been completed There was a difference of £468 k for private tenants between Academy records and amount paid.</p> <p>4. The initial analysis of Non HRA Rent Rebates in cells 012 to 020 was not satisfactory. A further analysis is being done in the new year.</p> <p>5. Social service owned properties have been erroneously included in cells 012 to 020.</p> <p>7. No rent officer referral had been made for one de-regulated rent allowance case that had a private landlord. We estimate subsidy could be reduced by £68 k.</p> <p>8. There was no evidence to support rent allowance and extended payment periods. The amount of subsidy at risk is estimated to be £131 k for Rent Allowances and £32 k for CTB.</p>

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C.I.	Claim Description	Final date for LA Completion	Actual date submitted for audit	Days late	Claim amended and/or qualified	Amendment/ Qualified Expenditure	Reason for Qualification/other comment
							<p>9. The Council awarded backdated benefits that were not in accordance with the regulations. We estimate subsidy could be reduced by £148 k. A team leader has now been appointed to review 2007/08 cases.</p> <p>Amendments of -£124 k were agreed with the Council. These were due to :</p> <ol style="list-style-type: none"> 1. Incorrect posting of technical overpayments 2. Entries in cell 106 - Rent officer referrals not yet obtained. 3. Correction of one sided adjustment to cell 101 - Rent Officer referral New Scheme excluded backdated payments and overpayment.
CFB06	Housing Capital Receipts	31-Aug-07	14-Aug-07	-	-	-	Claim received 17 days early
EDU02	LSC funding	30-Sep-07	4-Oct-07	4	-	-	
EDU35	Connexions Lead Bodies	30-Sep-07	4-Oct-07	4			Claim outstanding due to time taken to recover archived documents.
EUR01	Wirral Multi cultural centre - Final	31-Mar-07	2-April-07	2	-	-	
EUR01	Wirral Int Bus Park Ph 1D	30-Apr-07	2-May-07	2	-	-	
EUR01	Wirral International Business Pk Phase 1(Oracle) - Final	30-Oct-07	3-Oct-07	-	Amended	No impact on grant entitlement	Amendments to claim. Depreciation overstated by £49 k. Corporation tax £26 k excluded.

C.I.	Claim Description	Final date for LA Completion	Actual date submitted for audit	Days late	Claim amended and/or qualified	Amendment/ Qualified Expenditure	Reason for Qualification/other comment
EUR01	Greenfields Phase 3 - Final	31-Aug-07	20-Sep-07	20	Amended & qualified	No impact on grant entitlement	£833 k of works contracts had not been put out to tender. This includes work for overheads, preliminaries and design fees. The Council do not consider EC procurement rules apply to commercial organisations in the private sector and that they have met previous audit test requirements. Amendment to adjust error on match funding analysis.
EUR01	Gateway Business Park - Final	13-Sep-07	25-Sep-07	12	Qualified		Tendering procedures had not been completed for all works contracts. This includes work for overheads, preliminaries and design fees. The Council hold a different view on this matter.
EUR01	Maritime Business Park - Final	25-Oct-07	3-Oct-07	-	Qualified		Tendering had not been completed for £333 k of works contracts. This includes overheads, prelims and design fees. The Council hold a different view on this matter.
EUR01	Ferry View Business Park - Final	25-Oct-07	3-Oct-07	-	Amended and Qualified	Amendment had no impact on grant entitlement	Tendering not completed for £1,434 k of work contracts. This includes overheads, prelims and design fees. The Council hold a different view on this matter. Amendment to adjust error on match funding analysis.
EUR01	Commerce Park - Annual	30-Sep-07	3-Oct-07	3	In progress		
EUR01	Wirral Waterfront ERDF Core Management - Annual	30-Sep-07	3-Oct-07	3	-	-	

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C.I.	Claim Description	Final date for LA Completion	Actual date submitted for audit	Days late	Claim amended and/or qualified	Amendment/ Qualified Expenditure	Reason for Qualification/other comment
EUR01	Acquisition and Remediation of MOD Land - Annual	30-Sep-07	3-Oct-07	3	Embargo - claim not started	-	
EUR01	Birkenhead Park Restoration - Annual	30-Sep-07	3-Oct-07	3	Claim to be amended. Work done - claim not certified due to embargo	Amendment will not impact on grant entitlement	Amendment to be made for non disclosure of revenue spend of £540 k.
EUR01	Kings Gap Gateway - Annual	30-Sep-07	8-Oct-07	8	Work deferred due to embargo		
EUR01	Facilitating Finance - Annual	30-Sep-07	8-Oct-07	8	Amended. Claim not yet certified due to embargo.	Amendment will not impact on grant entitlement	Amendment to be made for incorrect disclosure of funding from GONW
EUR01	Laird Engineering & Construction - Annual	30-Sep-07	3-Oct-07	3	Work deferred due to embargo		
EUR01	Marketing Wirral for Tourism - Annual	30-Sep-07	24-Oct-07	24	Work deferred due to embargo		
EUR01	Mersey Maritime - Annual	30-Sep-07	25-Oct-07	25	Work deferred due to embargo		

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C.I.	Claim Description	Final date for LA Completion	Actual date submitted for audit	Days late	Claim amended and/or qualified	Amendment/ Qualified Expenditure	Reason for Qualification/other comment
EYC02	Gen Surestart Childcare grant	31-Jul-07	21-Aug-07	21	Amended & qualified	- £49 k	£96 k of income could not be agreed to supporting records. Reference made to £96k of 2005/06 expend - classification error in 2005/06. - may require re-submission of 05/06 claim. Capital expend understated by £4k. Written quotations for two contracts not retained. Amendment for Extended Schools capital expenditure over claimed by £49k
EYC06	Children's Fund	30-Jun-07	24-Sep-07	86	Qualified	-	Claim not signed by nominated Finance officer. (test 2) No review of partners financial systems. (test 4 a and b) No random checks of external service provider records. (test 4 b) No working papers to support charge for Council overheads (test 12)
HC08	Mental Health Grant	3-Oct-07	6-Sep-07	-	-	-	Claim submitted 24 days early.
HOU21	Disabled Facilities Grant	31-Jul-07	31-Jul-07	-	-	-	
LA01	NNDR	13-Jul-07	9-Jul-07	-	-	-	Claim submitted 4 days early.
PEN05	Teachers Pensions	30-Jun-07	29-Jun-07	-	Amended	Amendment for incorrect disclosure of TR22 elections - no impact on grant	

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C.I.	Claim Description	Final date for LA Completion	Actual date submitted for audit	Days late	Claim amended and/or qualified	Amendment/ Qualified Expenditure	Reason for Qualification/other comment
RG01	Wirral waterfront SRB	30-Sep-07	29-Jun-07	-	Qualified	Bank rolling the Lauries Design Phase by £38k (test 12) Cum expend on above project exceeds approval by £38k	
RG34	Mersey Waterfront Regional Park	30-Jun-07	29-Jun-07		Qualified		Asset register meeting requirements of CI not kept. Project details in Sched 1a could not be checked.
RG34	Mersey Waterfront Reg Park - Succession Prog	30-Jun-07	29-Jun-07	-	-	-	
RG34	Church Road Acquisitions	30-Jun-07	29-Jun-07	-	Amended	Amendment increased grant entitlement by £359	
SOC08	Information management grant	30-Sep-07	6-Sep-07	-	-	-	

Appendix 2 – Reasons for not relying on the control environment

Table 2

- 1 This table summarises the reasons for not relying on the control environment for individual claims.

CI	Claim	Reason
BEN01	Housing & Council tax benefit scheme	Qualification letter issued in 2005/06. New benefits system installed in 2006/07. Re-curing problems identified over a number of years.
EDU02	Personal & Community Development Learning	Initial review of working papers identified a significant number of coding adjustments. The scheme involves a large number of external projects.
EDU35	Connexions Lead Bodies	A number of issues identified last year. <ul style="list-style-type: none"> • Classification of spend was incorrect and claim amended to exclude Halton spend. • Reported contribution in kind of £80 k was incorrect.
EUR01	Oracle Business Park Phase 1 – Final	Risks associated with private contract tendering arrangements for GAP funded schemes. Amendments made to last years claim. New compiler of claim.
EUR01	Gateway Business Park – Final	Qualification letter for last annual claim reported on non compliance to EC tendering procurement directives. New compiler of claim.
EUR01	Ferry View Business Park – Final	Qualification letter for last annual claim reported on non compliance to EC tendering procurement directives. New compiler of claim.

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CI	Claim	Reason
EUR01	Wirral facilitating finance	New compiler of claim. Grant offer on claim differed to latest offer letter. Working papers did not explain eligibility/ineligibility split for SRB funding.
EUR01	Greenfield Phase 3 -Final	Qualification letter for last annual claim reported on non compliance to EC tendering procurement directives. New compiler of claim
EUR01	Laird Foundation	Claim submitted two years late.
EYC02Y	General Sure start - Childcare grant	Change in compiler of the claim. A qualification letter was issued last year reporting one payment of £37k not complying with Council standing orders and claim including one payment of £180k not spent until following year.
EYC06E	Childrens Fund	Change in key staff involved in compiling the claim. No previous experience of compiling grant claims. Initial review identified many journal transfers. The claim was submitted late.
HC08	Mental Health Grant	New compiler of the claim. Limited supervision and review.
HOU21	Disabled Facilities grant	Qualification letter last year reported problems of extrapolating transactions specific to the claim. The analytical review identified a significant under spend against the DFG allocation. The account for interim grant payments showed a credit balance that could not be readily explained.

CI	Claim	Reason
PEN05	Teachers Pensions	Qualification letter last year reported on difference between sum of monthly returns and year end listing. There were significant changes to the scheme in 2006/07. Working papers did not include links to key documents such as TP certificates and statements from external auditors.

Appendix 3 – Analysis of issues arising

Table 3 List of issues arising from audit. In some cases these generated amendments to the claim

Issue
Claim compilation errors
Cell entries did not agree to financial ledger for expenditure and income. (4 claims)
Payments on account did not include all payments up the date of CFO signature.
Miscoding of expenditure.
Expenditure misclassified on PEN05 claim.
Grant approved on claim did not agree to latest offer letter. (2 claims)
Photocopy of claim submitted for audit did not bear original CFO signature. (3 claims)
Capital expenditure incorrectly reduced by unidentified income
Error in classification of match funding in Table 2 - ERDF fund (5 claims)
Eligible expenditure exceeded latest Offer letter by a small amount.
2005/06 expenditure incorrectly included in 2006/07.
ERDF - Revenue expenditure with nil grant entitlement incorrectly excluded from claim.
Voluntary contribution of £15 k excluded from claim due to absence of supporting documentation.
Grant terms and conditions
No validation page accompanied NNDR3 return.
Omission of pension contributions from return required notification from Teachers Pensions
Childrens Fund grant - No spot checks on expenditure undertaken by external service providers.
No supporting evidence to show two payments comply to Council's Standing Orders for tendering (1 claim)
Childrens Fund claim not signed by nominated Finance Manager
ERDF gap funded scheme in our opinion did not meet EC procurement rules.(5 claims)

Working papers

No working paper to support calculation of £18 k Council overheads charged to claim.

Appendix 4 – Action plan

Page no.	Recommendation	Priority 1 = Low 2 = Med 3 = High	Responsibility	Agreed	Comments	Date
<i>2006/07 Grant Claim programme</i>						
8	R1 The Grant Claim Co-ordinator should review the errors listed in Appendix 3 and be aware of any further issues that could be identified from improving the quality assurance process on claims before they are sent to the Audit Commission.	3	Grant Claim Co-ordinator	Yes	Will pick up through training sessions and e-mail updates to compilers.	By 31 July 2008
8	R2 Grant Claim compilers should review Certification Instructions and ensure that the claims and working papers provide the information which will satisfy grant claim conditions and meet audit requirements. They should ensure that transactions included in grant claims are properly authorised as eligible expenditure for grant	2	Grant Claim Co-ordinator Grant Compilers	Yes	Co-ordinator to continue circulating certification instructions and provide additional training/reminders to compilers.	Ongoing requirement
8	R3 The Council should liaise with the Government Office to ascertain whether the current tendering arrangements for projects funded by ERDF funding meet EU procurement requirements.	3	Regeneration Finance Manager	Yes	Letter to be sent	By 31 July 2008

Page no.	Recommendation	Priority 1 = Low 2 = Med 3 = High	Responsibility	Agreed	Comments	Date
<i>Timeliness of claims submission</i>						
9	R4 The Grant Claim Co-ordinator should carry out the following procedures. <ul style="list-style-type: none"> • Monitor the submission of grant claims and ensure that claims are received sufficiently in advance of the submission date to the auditor to ensure the Co-ordinator has sufficient time to review claims. • Notify the grant paying body and audit when claims are going to miss submission deadlines. An estimate of the date of submission should be provided. • Ensure that where extensions have been granted by the grant paying body the extension gives the auditor three months from the date submission to certify the claim. 	2	Grant Claim Co-ordinator/ Grant Compilers	Yes	Grant Claim Co-ordinator will remind Grant Compilers of this requirement.	By 31st July 2008
<i>Control environment</i>						
10	R5 The Grant Claim Co-ordinator should identify those factors in the control environment from appendix 2 that are within management control and provide guidance to compilers of claims which will address such issues.	2	Grant Claim Co-ordinator	Yes	Included within updated grants manual.	By 31 July 2008

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Page no.	Recommendation	Priority 1 = Low 2 = Med 3 = High	Responsibility	Agreed	Comments	Date
<i>Grant Claim Co-ordination</i>						
11	R6 The Grant Claim Co-ordinator should ensure that the claims and returns register is kept up to date, and should up date the Grants Manual for changes made to the Audit Commission certification arrangements where appropriate.	2	Grant Claim Co-ordinator	Yes	Ongoing requirement.	Ongoing