

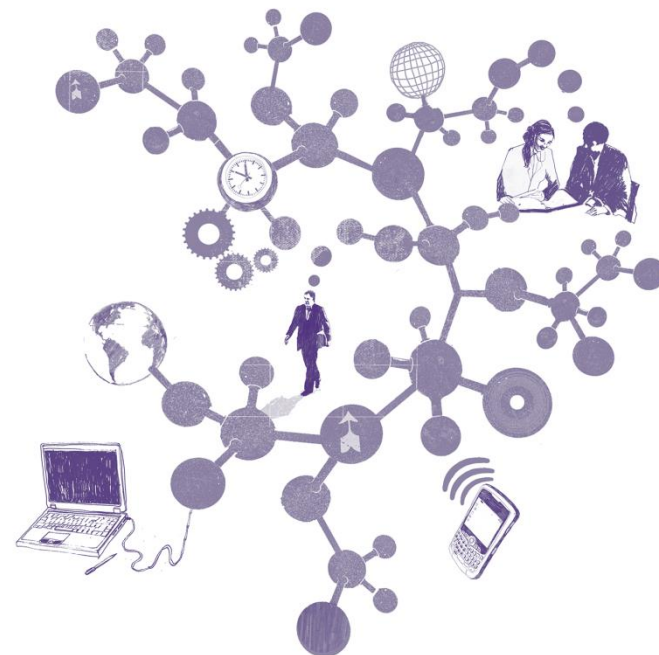
Certification report 2012/13 for Swindon Borough Council

Year ended 31 March 2013

December 2013

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Section 1: Executive summary

01. Executive summary

02. Results of our certification work

Executive summary

Introduction

We are required to certify certain of the claims and returns submitted by Swindon Borough Council ('the Council'). This certification typically takes place six to nine months after the claim period and represents a final but important part of the process to confirm the Council's entitlement to funding.

We have certified four claims and returns for the financial year 2012/13 relating to expenditure of £190.034 million.

This report summarises our overall assessment of the Council's management arrangements in respect of the certification process and draws attention to significant matters in relation to individual claims.

Approach and context to certification

Arrangements for certification are prescribed by the Audit Commission, which agrees the scope of the work with each relevant government department or agency, and issues auditors with a Certification Instruction (CI) for each specific claim or return.

Our approach to certification work, the roles and responsibilities of the various parties involved and the scope of the work we perform were set out in our Certification Plan issued to the Council on 24th September 2013

Key messages

A summary of all claims and returns subject to certification is provided at Appendix A. The key messages from our certification work are summarised in the table below and set out in detail in the next section of the report.

Aspect of certification arrangements	Key Messages	RAG rating
Submission & certification	All submission and certification deadlines were achieved.	Green
Accuracy of claim forms submitted to the auditor (including amendments & qualifications)	There are no significant matters to report arising from our certification work. One return (Pooling of Housing Capital Receipts return) and one claim (Housing and Council Tax Benefit subsidy) were amended. The Housing and Council Tax Benefit subsidy claim was also subject to qualification	Amber
Supporting working papers	Supporting working papers were good, enabling us to meet the certification deadlines	Green

The way forward

We set out recommendations to address the key messages above and other findings arising from our certification work at Appendix B.

Implementation of the agreed recommendations will assist the Council in compiling accurate and timely claims for certification. This will reduce the risk of penalties for late submission, potential repayment of grant and additional fees.

Acknowledgements

We would like to take this opportunity to thank the Council officers for their assistance and co-operation during the course of the certification process.

Grant Thornton UK LLP

December 2013

Section 2: Results of our certification work

01. Executive summary

02. Results of our certification work

Results of our certification work

Key messages

We have certified four claims and returns for the financial year 2012/13 relating to expenditure of £190.034 million.

The Council's performance in preparing claims and returns is summarised below:

Performance measure	Target	Achievement in 2012/13		Achievement in 2011/12		Direction of travel
		No.	%	No.	%	
Claims submitted on time	100%	4	100	5	100	↔
Claims certified on time	100%	4	100	5	100	↔
Claims certified with amendment	0%	2	50	2	40	↑
Claims certified with qualification	0%	1	25	2	40	↓

This analysis of performance shows that:

- the Council continues to submit claims on time and ensures that certification is also completed by the appropriate deadline
- the number of claims and returns subject to qualification has reduced
- the Council is still having to make amendments to claims following certification work

Details of the certification of all claims and returns are included at Appendix A

Significant findings

Our work has identified no significant issues in relation to the management arrangements and certification of individual grant claims and returns.

The Housing and Council Tax Benefit subsidy claim was both amended and subject to qualification. The qualification was mainly due to errors in:

- the calculation of average earnings used in the assessment of benefit leading to both underpayment and overpayments. This is the second year that we have identified this type of error; and
- the classification of overpayments.

This meant that we were unable to certify the claim in full.

It should be noted that the rules surrounding the administration of housing and council tax benefit are inherently complicated and it is not unusual for errors to be identified at many councils.

Recommendations for improvement are included in the action plan at Appendix B

Results of our certification work

Certification fees

The Audit Commission set an indicative scale fee for grant claim certification based on 2010/11 certification fees for each audited body. The indicative scale fee for the Council for 2012/13 is £16,050. This is set out in more detail in Appendix C.

Final certification fees are to be agreed where the level or scope of the work that we have completed was greater than the assumptions made by the Audit Commission in compiling the indicative fee. Fee variations will be discussed with officers and agreed with the Audit Commission.

Appendices

Appendix A: Details of claims and returns certified for 2012/13

Claim or return	Value (£)	Amended?	Amendment (£)	Qualified?	Comments
Housing and Council Tax Benefit subsidy claim	81,078,002	Yes	-3,466	Yes	The qualification related to errors in the calculation of average earnings, and the classification of overpayments.
National Non Domestic Rates return	100,462,377	No	-	No	-
Pooling of Housing Capital Receipts return	1,854,309	Yes	0	No	Amendments made to the entries on the return did not affect the overall value
Teachers' Pensions return	6,639,843	No	-	No	-

Appendix B: Action plan

Priority

High - Significant effect on arrangements

Medium – Some effect on arrangements

Low - Best practice

Rec No.	Recommendation	Priority	Management response	Implementation date & responsibility
1.	Housing and Council Tax Benefit Subsidy claim. Focus quality checking procedures on benefit claims which include an average earnings calculation.	Medium	Agree. The Subsidy and Quality officer will ensure that more claims involving average earnings are checked. The Council's Benefits Client monitoring officers also review a number of these claims as part of our percentage check.	Subsidy and Quality officer On-going
2.	Housing and Council Tax Benefit Subsidy claim. Review quality checking procedures on overpayments raised to ensure correct classification.	Medium	Agree. The Subsidy and Quality officer will check a higher percentage of overpayment classifications. Overpayment classifications are also reviewed by the Council's Benefits Client monitoring officers as part of their check.	Subsidy and Quality officer On-going

Appendix C: Fees

Claim or return	2012/13 indicative fee (£)	2012/13 actual fee (£) #	2011/12 fee (£) *	Variance to prior year (£)	Explanation for significant variances
Housing and Council Tax Benefit subsidy claim	12,260	20,456	15,294	+5,162	The initial samples in 2012/13 contained more errors than in 2011/12 so we had to carry out more additional testing . Nine additional samples were completed in 2012/13, compared to 3 in 2010/11 and 6 in 2011/12.
National Non Domestic Rates return	820	746	1,713	-£967	Full certification procedures were undertaken in 2011/12. We only needed to complete limited procedures this year.
Pooling of Housing Capital Receipts return	0	1,635	510	+£1,125	We were required to complete full certification procedures in 2012/13. Only limited procedures were completed in the prior year.
Teachers' Pensions return	2,970	876	306	+570	The 2012/13 indicative fee is based on 60% of the 2010/11 fee. Full certification procedures were carried out in 2010/11. During 2011/12 and 2012/13 limited procedures were carried out with a small variance in testing between these two years.
Total	16,050	23,713	17,823	5,890	

* 2011/12 fee less 40% fee reduction applicable for 2012/13 onwards. This is shown in this way to make it comparable to the 2012/13 fee.

2012/13 actual fees are still subject to final approval by the Audit Commission and agreement with officers.



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