



Grant Thornton

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6th January 2015

Dear Mr McKellar

Certification work for Swindon Borough Council for year ended 31 March 2014

Audit Commission work

We are required to certify certain 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.

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.

We have certified two claims and returns under the audit commission regime for the financial year 2013/14 relating to expenditure of £69,181,806 million. Further details of the claims certified are set out in Appendix A.

There are no issues arising from our certification work which we wish to highlight for your attention. We are satisfied that the Council has appropriate arrangements to compile complete, accurate and timely claims/returns for audit certification. We are satisfied that any recommendations raised in previous years have been addressed.

The indicative fee for 2013/14 for the Council is based on the final 2011/12 certification fees, reflecting the amount of work required by the auditor to certify the claims and returns in that year. Fees for schemes no longer requiring certification (such as the national non-domestic rates return) have been removed. The fees for certification of housing benefit subsidy claims have been reduced by 12 per cent, to reflect the removal of council tax benefit from the scheme. The indicative scale fee set by the Audit Commission for the Council for 2013/14 is £14,485. This is set out in more detail in Appendix B.

Non Audit Commission work

This letter sets out the work for the two claims audited under the audit commission regime. In addition we audited the Council's teacher's pension return applying guidance issued by the Teacher's Pension's Agency. This guidance required more detailed testing compared to the Audit Commission guidance. This work was completed in November 2014 at a cost of £3,000. We did not identify any matters we need to bring to your attention.

Yours sincerely



For Grant Thornton UK LLP

Appendix A - Details of claims and returns certified for 2013/14 in line with the Audit Commission's guidance

| Claim or return | Value | Amended? | Amendment (£) | Qualified? | Comments |
|--------------------------------|-------------|----------|---------------|------------|---|
| Housing benefits subsidy claim | £68,586,421 | No | 0 | Yes | We completed our risk assessment, analytical review and applied the software diagnostic tool. We audited an initial sample of 60 claims. We identified a small number of administrative errors for example where the wrong payslip was used to determine the income of the recipient. For these cases the audit sample was extended by 40 cases in respect of each type of error. The errors were quantified, however the amounts were trifling (some £250 in total). In accordance with the DWP's requirements the errors were reported to the Department. |
| Capital receipts return | £595,385 | No | 0 | No | Claim accurately compiled. |

Appendix B: Fees for 2013/14 Audit Commission certification work

| Claim or return | 2012/13 actual fee (£) | 2013/14 indicative fee (£) | 2013/14 actual fee (£) | Variance (£) | Explanation for variances |
|---|---------------------------------------|---|---------------------------------------|-------------------------|--|
| Housing benefits subsidy claim (BEN01) | 20,456 | 13,968 | 13,968 | | Fewer errors were identified in 2013/14, therefore there were fewer extended samples resulting in less work. (Four extended samples were completed in 2013/14 compared to 9 in 2012/13). |
| National non-domestic rates return (NNDR3) | 746 | N/a | N/a | | No requirement to certify this return in 2013/14 |
| Pooling of housing capital receipts | 1,635 | 517 | 517 | | We were required to complete full certification procedures in 2012/13. Only limited procedures were required in 2013/14 in line with the audit commission's guidance. |
| Teacher's Pension return | 876 | ## | | | See below |
| Total | 23,713 | 14,485 | 14,485 | | |

The teacher's pension return was audited outside of the audit commission regime this year.