

# Certification report 2012/13 for South Ribble Borough Council

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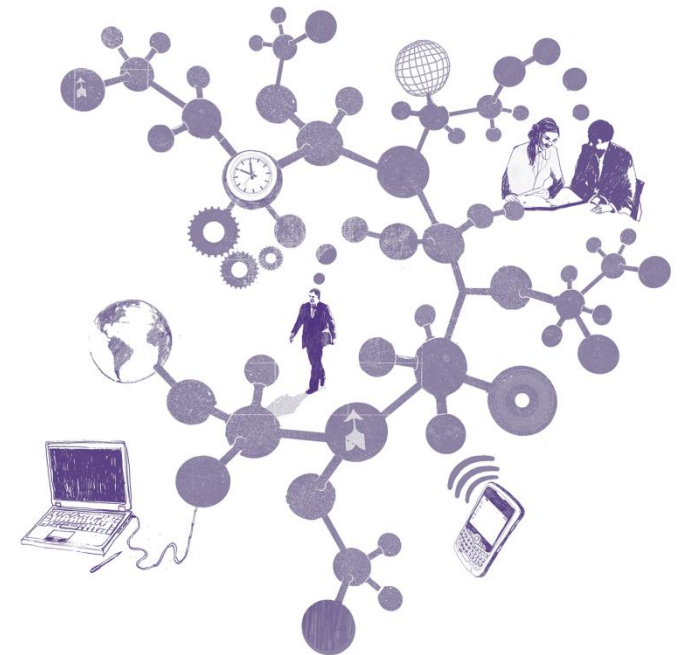
**Year ended 31 March 2013**

December 2013

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# Section 1: Executive summary

01. Executive summary

02. Results of our certification work

## Arrangements for certification for claims and returns:

- below £125,000 – no certification
- above £125,000 and below £500,000 – agreement to underlying records
- over £500,000 – agreement to underlying records and assessment of control environment. Where full reliance cannot be placed, detailed testing.

# Executive summary

## Introduction

We are required to certify certain of the claims and returns submitted by South Ribble 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 one claim and one return for the financial year 2012/13 relating to expenditure of £62.3 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 discussed with the Council's key officers at our initial certification planning meeting in June 2013.

## Key messages

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
<b>Submission &amp; certification</b>	All claims were submitted and certified in accordance with central government departmental deadlines.	●
<b>Accuracy of claim forms submitted to the auditor (including amendments &amp; qualifications)</b>	A small number of errors were identified in the processing of changes in circumstances relating to the Housing and Council Tax Benefit Subsidy claim. The extrapolated impact on the claim, based on the results of our testing, as reported to the Department of Work & Pensions (DWP), amounted to between £3,710 and £89,230. In addition, the National Non-Domestic Rates return was certified without amendment.	●
<b>Supporting working papers</b>	Supporting working papers for the claims and returns were good, which enabled certification within the deadline.	●

## **The way forward**

The Council has sound arrangements in place for the preparation and submission of its claims for certification.

The Council has reminded staff of the need for care in relation to the issues identified to reduce the risk of 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**

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## 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 one claim and one return for the financial year 2012/13 relating to expenditure of £62.3 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%	2	100	2	100	↔
Claims certified on time	100%	2	100	2	100	↔
Claims certified with amendment	0%	1	50	1	50	↔
Claims certified with qualification	0%	1	50	0	0	↓

This analysis of performance shows that:

- all claim and returns had been submitted for certification by the Council on time in accordance with central government department deadlines
- all claims and returns were certified within the relevant timescale
- In 2012/13 the Housing & Council Tax Benefit Scheme claim was qualified due to errors identified in the processing of a small number of claims. In one particular case the Council had incorrectly processed a change of circumstances. The wrong effective dates were input into the system, leading to an overpayment of benefit of £1,864. **Further additional testing was carried out to see if the original error was replicated elsewhere. No similar or significant errors were identified from the further testing.** Whilst we acknowledge that this case was specific in nature and likely to be rare, we are required **by the DWP** to extrapolate the overall impact of the errors identified. This was calculated to be £89,230. We have also provided the DWP with an alternative extrapolated figure which recognises the unusual nature of the £1,864 error, which was calculated to be £3,710.

## Significant findings

Other than the issue identified above, our work has not identified any significant findings in relation to the management arrangements and certification of individual grant claims and returns.

## 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 £12,100. The breakdown of fees by claim is included at Appendix A.

# Appendix



# Appendix A: Fees

Claim or return	2011/12 fee (£) *	2012/13 indicative fee (£)	2012/13 actual fee (£)	Variance (£)	Explanation for significant variances
Housing benefits subsidy claim	10,802	10,500	10,500	0	
National non-domestic rates return	1,762	1,600	1,600	0	
<b>Total</b>	<b>12,564</b>	<b>12,100</b>	<b>12,100</b>	<b>0</b>	

\* 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.



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