

Certification report 2012/13 for North Hertfordshire District Council

Year ended 31 March 2013

January 2014

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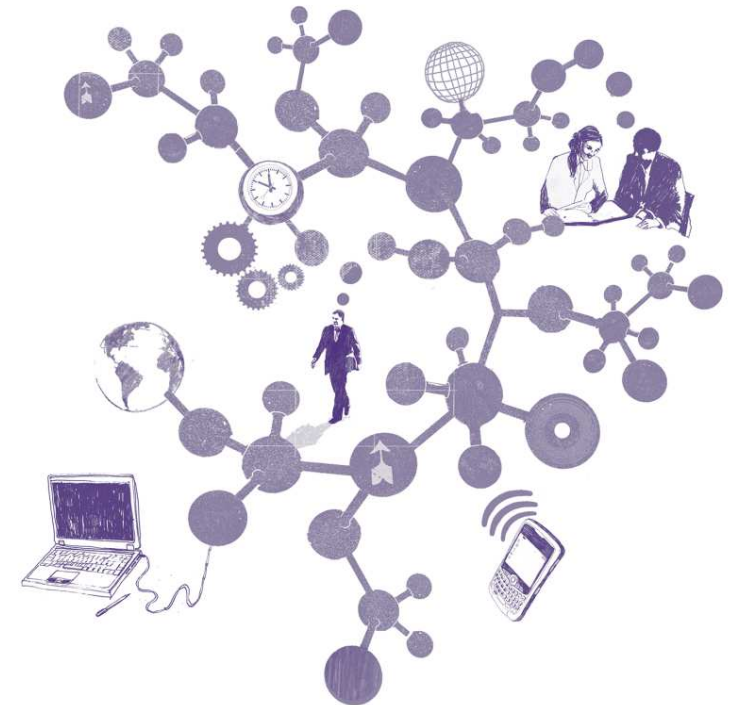
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Section 1: Executive summary

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 North Hertfordshire District 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 2 claims and returns for the financial year 2012/13 relating to expenditure of £84.6million.

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.

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	Both returns were submitted for audit in advance of the draft national deadline.	●
Accuracy of claim forms submitted to the auditor (including amendments & qualifications)	The housing and council tax benefit and national non domestic rate returns were both subject to amendments.	●
Supporting working papers	The supporting working papers were of a good quality, which aided certification within the deadlines.	●

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
January 2014

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 2 claims and returns for the financial year 2012/13 relating to expenditure of £84.6 million.

Significant findings

Our work has identified the following issues in relation to the management arrangements and certification of individual grant claims and returns:

- The housing and council tax benefit return was subject to amendment with a positive impact on the overall balance owed to the Council of £37,833. The reason for the amendment was the Council perform a manual adjustment exercise after the claim has been submitted but prior to the commencement of the audit of the return.
- The national non domestic return was amended on the basis that the entry for deferral relief within the claim form did not agree to the supporting working papers. The claim was subsequently adjusted to reflect the correct entry.
- The quality of working papers provided is reflected in the fact that we have charged the scale fee and no additional billings were required.
- For the third consecutive year neither return was submitted with an accompanying qualification letter.

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

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 £11,400 and we are proposing to bill £11,400. This is set out in more detail in Appendix C.

Appendices

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

Claim or return	Value	Amended?	Amendment (£)	Qualified?	Comments
National Non Domestic Rate Return	£37.9m	Y	(15,471)	N	Claim amended to reflect the correct amount of deferral relief awarded in the year.
Housing & Council Tax Benefit	£46.7m	Y	30,860	N	Claim amended to reflect manual adjustments posted by the Council after the draft claim had been submitted to the DWP.

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	The manual adjustment exercise is performed prior to the submission of the draft housing and council tax benefit claim.	Low		

Appendix C: Fees

Claim or return	2011/12 fee (£)	2012/13 indicative fee (£)	2012/13 actual fee (£)	Variance (£)	Explanation for significant variances
Housing benefits subsidy claim	19,556	9,400	9,400	-	
National non-domestic rates return	2,188	2,000	2,000	-	
Total	21,744	11,400	11,400		



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