

Certification of claims and returns - annual report

South Cambridgeshire District Council

Audit 2011/12



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Introduction

Local authorities claim large sums of public money in grants and subsidies from central government and other grant-paying bodies and are required to complete returns providing financial information to government departments. My certification work provides assurance to grant-paying bodies that claims for grants and subsidies are made properly or that information in financial returns is reliable. This report summarises the outcomes of my certification work on your 2011/12 claims and returns.

Under section 28 of the Audit Commission Act 1998, the Audit Commission may, at the request of authorities, make arrangements for certifying claims and returns because scheme terms and conditions include a certification requirement. Where such arrangements are made, certification instructions issued by the Audit Commission to its auditors set out the work auditors must do before they give their certificate. The work required varies according to the value of the claim or return and the requirements of the government department or grant-paying body, but in broad terms:

- for claims and returns below £125,000 the Commission does not make certification arrangements and I was not required to undertake work;
- for claims and returns between £125,000 and £500,000, I undertook limited tests to agree form entries to underlying records, but did not undertake any testing of eligibility of expenditure; and
- for claims and returns over £500,000 I planned and performed my work in accordance with the certification instruction to assess the control environment for the preparation of the claim or return to decide whether or not to place reliance on it. Depending on the outcome of that assessment, I undertook testing as appropriate to agree form entries to underlying records and test the eligibility of expenditure or data.

Claims and returns may be amended where I agree with your officers that this is necessary. My certificate may also refer to a qualification letter where there is disagreement or uncertainty, or you have not complied with scheme terms and conditions.

Results of 2011/12 certification work

This section summarises the results of my 2011/12 certification work and highlights any significant issues arising from that work.

The number of claims/returns certified has reduced as work is no longer undertaken on Housing Finance Base Data Return and the Disabled Facilities Grant.

Table 1: Results of 2011/12 certification work

Claim or return	Value of claim or return presented for certification (£'000)	Value of any amendments made (£)	Was a qualification letter issued?	2011/12 Certification Fee (£)	2010/11 Certification Fee (£)
Housing and council tax benefit scheme	32,288	90	No	23,258	20,563
Pooling of housing capital receipts	829	Nil	No	2,800	1,890
HRA subsidy	(12,526)	Nil	No	2,132	2,009

Claim or return	Value of claim or return presented for certification (£'000)	Value of any amendments made	Was a qualification letter issued?	2011/12 Certification Fee (£)	2010/11 Certification Fee (£)
National non-domestic rates return	63,905	Nil	Yes	4,201	4,459
Housing Finance Base Data Return	n/a	n/a	n/a	n/a	4,982
Disabled Facilities Grant	n/a	n/a	n/a	n/a	471
Total certification fees				32,391	34,374

Conclusion

My work in this area supported the view that I expressed in the Annual Governance Report that the Authority has a strong financial management base. It in particular confirms that there is a strong claims preparation process in place. I therefore, similar to last year, have no recommendations in respect of certification work.

The major fee variance related to Housing Benefits. This arose due to the increased income changes of recipients within the random sample of claims that were chosen for review and reflects an increasing complexity; there were also some minor changes required to the claim.

Although a qualification letter was issued in respect of the National non-domestic rates return, this was in respect of technical issues and issues that the Authority was already in discussion with the Department about. These items were for information rather than amendment to the claim.

Closing remark

As with the audit of the accounts the Authority has taken a positive and constructive approach to my certification work. I wish to thank the Authority staff for their support and co-operation during the certification work.

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The Statement of responsibilities of grant-paying bodies, authorities, the Audit Commission and appointed auditors in relation to claims and returns issued by the Audit Commission explains the respective responsibilities of auditors and of the audited body.

