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Certification of grants and returns 2012/13

Barnsley Metropolitan Borough Council

January 2014

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Contents

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	Page
■ Headlines	2
■ Summary of certification work outcomes	3
■ Fees	5

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External auditors do not act as a substitute for the audited body's own responsibility for putting in place proper arrangements to ensure that public business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively.

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Certification of grants and returns 2012/13 Headlines

Information and Accountability	<p>This report summarises the results of work on the certification of the Council's 2012/13 grant claims and returns.</p> <ul style="list-style-type: none">For 2012/13 we certified five grants and returns with a total value of £165m.	
Certification results	<p>We issued unqualified certificates for three grants and returns but qualifications were necessary in two cases.</p> <ul style="list-style-type: none">The Housing and Council Tax Benefits claim was qualified following the identification of errors found during audit testing.The Teachers Pension return was qualified due to a difference between the amount paid and the amount due to the Teachers' Pensions Authority.	Pages 3 – 4
Audit adjustments	<p>Minor adjustments were necessary to two of the Council's grants and returns as a result of our certification work this year.</p>	Pages 3 – 4
The Council's Arrangements	<p>The Council generally has good arrangements for preparing its grants and returns.</p> <ul style="list-style-type: none">The arrangements in place ensure high quality working papers are produced in a timely manner. The Council has good planning procedures for each grant to ensure officers are available to assist with audit queries.During the year, a minor amendment to one claim was amended due to an arithmetic error.	Pages 3 - 4
Fees	<p>The Audit Commission changed its fee regime for certifying grants and returns in 2012/13, and agreed a scale fee for the Council of £49,100.</p> <p>We have received approval from the Audit Commission for a variation to the scale fee of £2,474 (a net decrease). This brings the revised scale fee to £46,626 and reflects additional work required on some claims and a reduction in work required on others.</p>	Page 5



Certification of grants and returns 2012/13 Summary of certification work outcomes

Overall, we certified five grants and returns:

- Two were unqualified with no amendment;
- One was unqualified but required some amendment to the final figures; and
- Two required a qualification to our audit certificate, one of these also required a minor adjustment.

Detailed comments are provided overleaf.

Detailed below is a summary of the key outcomes from our certification work on the Council's 2012/13 grants and returns, showing where either audit amendments were made as a result of our work or where we had to qualify our audit certificate.

A qualification means that issues were identified concerning the Council's compliance with a scheme's requirements that could not be resolved through adjustment. In these circumstances, it is likely that the relevant grant paying body will require further information from the Council to satisfy itself that the full amounts of grant claimed are appropriate.

Comments overleaf	Qualified certificate	Significant adjustment	Minor adjustment	Unqualified certificate
1 Housing & Council Tax Benefit	●			
2 Pooling of Housing Capital Receipts National Non Domestic Rates Return Teachers' Pensions Return			●	●
3 Local Transport Plan: Major Projects			●	●
	2	0	2	3



Certification of grants and returns 2012/13

Summary of certification work outcomes

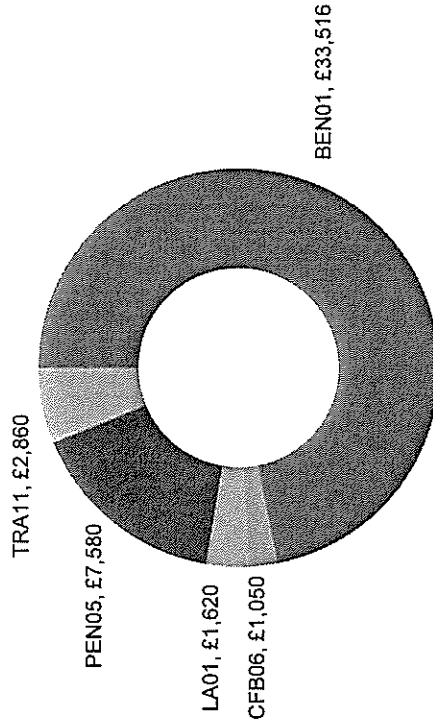
This table summarises the key issues behind each of the adjustments or qualifications that were identified on the previous page.

Ref	Summary observations
①	Housing and Council Tax Benefit <ul style="list-style-type: none">■ The main issues arising related to the treatment of self employed and earnings income and the application of incorrect tax credits.■ The error rate in 2012/13 has seen an increase from 2011/12. Across rent allowances and HRA rent rebates, earned income errors were identified in 24% of cases and tax credit errors were found in 14% of rent allowances and council tax benefit cases. The Council have identified this issue through their own internal procedures. From May 2013 earned income errors have been addressed through increased management checks and reviewing the internal procedure documents on wages.■ These issues also arose in 2011/12 and were included in the qualification letter in that year.
②	Teachers' Pensions Return <ul style="list-style-type: none">■ The amendment was required to include totals in each section of the return.■ The claim was qualified due to a specific requirement in the Certification Instruction and relates to the difference of £574 between the amount paid to Teachers' Pensions Authority and the amount due.
③	Local Transport Plan: Major Projects (Cudworth and West Green Bypass) <ul style="list-style-type: none">■ The claim was amended because the arithmetic was not correct as a result of rounding.

Certification of grants and returns 2012/13 Fees

The revised scale fee has been agreed at £46,626. This is a net decrease of £2,474 on the planned scale fee (£49,100) and is £10,478 lower than the fee in 2011/12.

Breakdown of certification fees 2012/13



Breakdown of fee by grant/return		
	2012/13 (£)	2011/12 (£)
BEN01 – Housing and Council Tax Benefit	33,516	38,642
CFB06 – Pooling of Housing Capital Receipts	1,050	2,362
LA01 – National Non Domestic Rates Return	1,620	2,393
PEN05 – Teachers' Pensions Return	7,580	9,666
TRA11 – Local Transport Plan: Cudworth and West Green Bypass	2,860	4,041
Total fee	46,626	57,104

The Audit Commission changed its fee regime for certifying grants and returns in 2012/13. It set a scale fee for the Council of £49,100 however we have had agreed variations to the scale fee as follows:

- to increase the scale fee by £4,116 for Housing and Council Tax Benefit claim – additional work was required by KPMG due to issues identified relating to the treatment of self employed and earnings income and the application of incorrect tax credits;. We also had to issue a qualification letter;
- to reduce the scale fee by £3,950 for the National Non Domestic Rates Return – the scale fee included Part A & B testing and we were only required to carry out Part A tests in 2012/13; and
- to reduce the scale fee by £2,640 for the Pooling of Housing Capital Receipts – the scale fee included Part A & B testing and we were only required to carry out Part A tests in 2012/13.

The revised scale fee for grants in 2012/13 is therefore £46,626.



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