

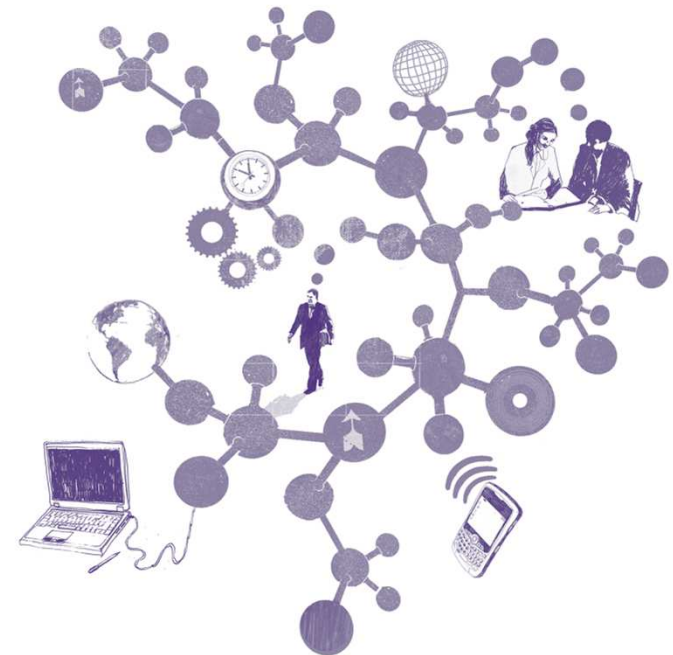
Certification report 2012/13 for London Borough of Barnet

Year ended 31 March 2013

January 2014

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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 the London Borough of Barnet ('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 five claims and returns for the financial year 2012/13 relating to expenditure of £400 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 set out in our Certification Plan issued to the Council in July 2013.

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	All claims were submitted and certified within the required deadlines	●
Accuracy of claim forms submitted to the auditor (including amendments & qualifications)	Of the five claims certified, three were issue free, one required a minor amendment and one required amendment and qualification	●
Supporting working papers	Supporting working papers were of a good quality, which helped to enable 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 (none of which materialised in 2012/13).

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 certified five claims and returns for the financial year 2012/13 relating to expenditure of £400 million. The Council's performance is summarised below:

Performance measure	Target	Performance in 2012/13		Performance in 2011/12		Direction of travel
		No.	%	No.	%	
Claims submitted on time	100%	5	100	6	100	↔
Claims certified on time	100%	5	100	6	100	↔
Claims certified without amendment	100%	3	60	2	33	↑
Claims certified without qualification	100%	4	80	5	83	↔

This analysis of performance shows that:

- all claims were prepared and certified in advance of deadlines
- the number of claims requiring amendment has fallen and the Housing Benefit claim remains the only claim requiring qualification. It should be noted that this is a complex return and it is not unusual for this return to be subject to qualification

Details of the certification of all claims and returns are included at Appendix A.

Significant findings

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

- Initial testing of 80 benefit cases identified ten cases with errors. Based on these errors, additional testing, including four sets of 40+ testing, was required.
- From the additional 160 cases tested, a further 46 cases were identified where there had been one of either an incorrect classification, an overpayment or an underpayment. Given the nature of the population and the variation in the errors found, it was considered unlikely that even significant additional work would result in amendments to the claim that would have enabled us to conclude that it was fairly stated.
- It was agreed that this additional testing would be completed by the Benefits Team at the Council and that we would re-perform a sample of cases as prescribed by the Certification Instruction. Whilst this process worked reasonably well, it was not possible for us to complete our review of this additional testing until close to the statutory deadline for the certification of the claim. We would recommend that, in the event of similar testing being required again in the future, a detailed plan is put in place to enable an earlier review and finalisation process.

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 £40,800. 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
Housing and Council Tax Benefits Scheme (BEN01)	£273,300,552	Yes	£92,705	Yes	Initial testing of 80 cases identified 10 cases with errors and required four sets of 40+ testing. Based on this additional testing and, given the nature of the population and the variation in the errors found, it was considered unlikely that even significant additional work would result in amendments to the claim form that would have enabled us to conclude that it was fairly stated.
Pooling of Housing Capital Receipts (CFB06)	£5,272,951	No	n/a	No	Claim certified without issue
National Non Domestic Rates Return (LA01)	£104,769,683	No	n/a	No	Claim certified without issue
Teachers' Pensions Return (PEN05)	£16,413,476	Yes	£1,012	No	Claim certified with a minor amendment required
Single Programme (RG31)	£97,875	No	n/a	No	Claim certified without issue

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 Council should put in place a detailed timetable to ensure there is sufficient time to allow for quality assurance of the data by the Benefits Team prior to submission for audit review, enabling any errors to be found and rectified.	Medium		

Appendix C: Fees

Claim or return	2011/12 fee (£) *	2012/13 indicative fee (£)	2012/13 actual fee (£)	Variance year on year (£)	Explanation for significant variances
Housing benefits subsidy claim (BEN01)	31,830	30,770	30,770	(1,060)	-
Pooling of Housing Capital Receipts (CFB06)	2,697	2,760	2,760	63	-
National non-domestic rates return (LA01)	3,359	3,600	3,600	241	-
Teachers' Pensions Return (PEN05)	2,792	3,670	3,670	878	-
Single Programme (RG31)	2,760	0	0	(2,760)	Final small element of claim certified in 2011/12
HRA Subsidy	2,351	n/a	n/a	(2,351)	No longer applicable
Total	45,789	40,800	40,800	(4,989)	

* 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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