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Certification of grants and returns 2011/12

South Kesteven District Council

January 2013



The contacts at KPMG in connection with this report are:

Tony Crawley

Director

Tel: 0116 256 6067
tony.crawley@kpmg.co.uk

Paula Longden

Manager

Tel: 0115 935 3414
paula.longden@kpmg.co.uk

Tina Campbell

Assistant Manager

Tel: 0115 935 3545
tina.campbell@kpmg.co.uk

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Introduction and background	<p>This report summarises the results of work on the certification of the Council's 2011/12 grant claims and returns.</p> <ul style="list-style-type: none"> For 2011/12 we certified four grants and returns with a total value of £82.7m. 	-
Certification results	<p>We issued unqualified certificates for all grants and returns</p> <ul style="list-style-type: none"> The Council has a strong track record in preparing grants and returns. In 2010/11 all claims were unqualified claims with the exception of the Housing benefit and council tax benefit subsidy claim which last year was qualified on a small number of issues. This year all matters arising were resolved satisfactorily and the claim was unqualified. 	Pages 3 – 4
Audit adjustments	<p>Adjustments were necessary to one of the Council's grants and returns as a result of our certification work this year.</p> <ul style="list-style-type: none"> A number of minor changes were made to the housing benefit and council tax benefit subsidy claim which reduced subsidy by £424. This is a significant achievement for the Council and demonstrates that it has maintained its robust arrangements for preparing claims and returns. 	Pages 3 – 4
The Council's arrangements	<p>The Council has good arrangements for preparing its grants and returns and supporting our certification work and we have made no recommendations for improvements.</p>	Pages 3 – 4
Fees	<p>Our overall fee for the certification of grants and returns has been contained within the original estimate.</p>	Page 5

Overall, we certified four grants and returns:

- 3 were unqualified with no amendment; and
- 1 was unqualified but required some amendment to the final figures.

Detailed comments are provided overleaf.

Detailed below is a summary of the key outcomes from our certification work on the Council's 2011/12 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.

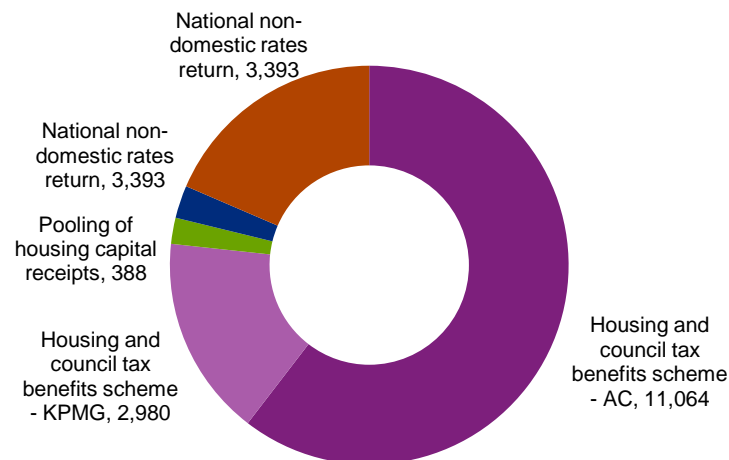
	Comments overleaf	Qualified certificate	Significant adjustment	Minor adjustment	Unqualified certificate
Housing benefit and council tax benefit subsidy claim	1				
National non-domestic rates return					
HRA subsidy					
Pooling of capital receipts					
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This table summarises the key issues behind the adjustment that was identified on the previous page.

Ref	Summary observations	Amendment
1	<p>Housing and council tax benefit subsidy claim</p> <ul style="list-style-type: none"> ■ The Council has continued to strengthen its arrangements for preparing the claim: no errors were found during the testing of individual claimant records and the certified claim was unqualified. ■ Amendments were required to resolve validation errors within the system, the majority of which related to differences between benefit paid and benefit granted. In previous years we have qualified the claim on this basis however this year all discrepancies were resolved resulting in a net adjustment to subsidy of £424. 	- £424

Our overall fee for the certification of grants and returns has been contained within the original estimate.

Breakdown of certification fees 2011/12



Breakdown of fee by grant/return		
	2011/12 (£)	2010/11 (£)
Housing benefit and council tax benefit subsidy – Audit Commission	11,064	11,047
Housing benefit and council tax benefit subsidy – KPMG	2,980	-
National non-domestic rates return	3,393	1,265
HRA subsidy	485	1,161
Pooling of capital receipts	388	422
Total fee	18,310	13,895

Our initial estimated fees for certifying 2011/12 grants and returns was £18,000. The actual fee charged was above that estimate ; the main reasons for these increases are :

- Two outstanding queries prevented the certification of the housing benefit claim at the end of October and, although resolved satisfactorily, did increase the amount of work required.
- The anticipated extensive testing we were required to undertake on the national non-domestic rates return was made more onerous due to the change in system during the certification work. This prevented the Council from providing full electronic supporting working papers.



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