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Certification of grants and returns 2012/13

Bolsover District Council

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Introduction and background	<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 three returns with a total value of £50m. 	-
Certification results	<p>We issued unqualified certificates for all returns.</p> <ul style="list-style-type: none"> There were no unresolved issues this requiring qualification of any the three returns we certified this year. This is a good result and compares well with last year when we qualified the certificate for the 2011/12 Housing and Council Tax Benefit return. Our 2011/12 qualification letter reported three issues linked to rent allowance, rent rebate and council tax payments. 	Pages 3 – 4
Audit adjustments	<p>One significant adjustment was 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"> An agreed adjustment of £65,057 was made to the National Non Domestic Rates return. Last year no adjustment to this return was needed. We are pleased to report that no adjustments to the Council's 2012/13 Housing and Council Tax Benefit return were required. Minor adjustments were made to this return last year. 	Pages 3 – 4
The Council's arrangements	<p>The Council has good arrangements for preparing its grants and returns and supporting our certification work.</p>	Pages 3 – 4
Fees	<p>The Audit Commission changed its fee regime for certifying grants and returns in 2012/13, and set an indicative fee for the Council of £11,500. Our actual fee for the certification of grants and returns was £12,091. The difference was due to further work required under the Audit Commission certification framework not included in the indicative fee.</p> <ul style="list-style-type: none"> The actual fee charged this year (£12,091) is significantly lower than last year (£25,870) mainly due to the change in fee regime and efficiencies in our approach. We certified three returns this year compared with four last year. Certification of the Housing Subsidy return undertaken in previous years was not required for 2012/13. 	Page 5
Recommendations	<p>We made no recommendations</p>	

Overall, we certified three grants and returns:

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

Detailed comments are provided overleaf.

Overall, the Council has good arrangements for preparing its claims and returns and supporting our certification work.

The three returns certified this year had a combined value in excess of £50m.

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.

We are pleased to report that we did not qualify our certificate for any returns this year. This means that no issues were identified concerning the Council's compliance with a scheme's requirements that could not be resolved through adjustment. Where a certificate is qualified, often the relevant grant paying body will require further information from the Council to satisfy itself that the full amounts of grant claimed are appropriate.

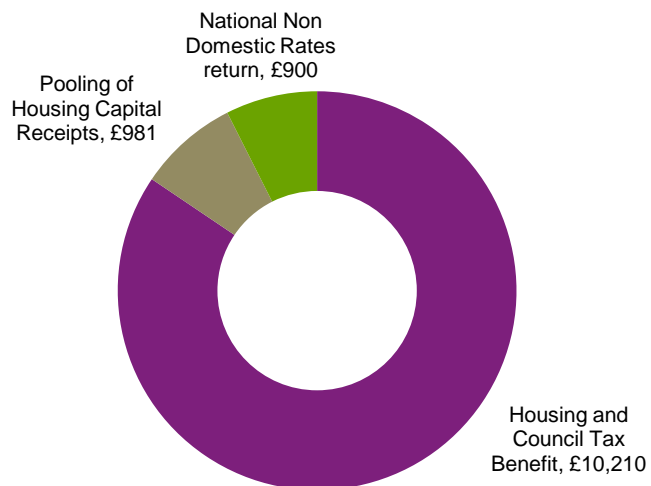
	Comments overleaf	Qualified certificate	Significant adjustment	Minor adjustment	Unqualified certificate
Housing and Council Tax Benefits					
Pooling of Housing Capital Receipts					
National Non Domestic Rates return					
		0	1	0	3

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

Ref	Summary observations	Amendment
1	<p>National Non Domestic Rates (NNDR) return</p> <ul style="list-style-type: none"> ■ Our testing found two errors in the compilation of the return relating to prior year adjustments. Reconciliation of the return by the Council to the financial ledger and NNDR system (Academy) found that a backdated liability of £42,215 for a 2011/12 rating valuation change had been omitted from the 2012/13 return submitted to us for certification. Interest payments totalling £22,842 related to this valuation change were also omitted from the return. ■ The overall impact of these errors is to reduce the Council's contribution to the national NNDR pool for 2012/13 by £65,507. ■ The Council's previous auditors noted no such errors in 2011/12. 	<p>- £65,057</p>

Our overall fee for the certification of grants and returns (£12,091) was £591 higher than the original indicative fee estimate of £11,500.

Breakdown of certification fees 2012/13



Breakdown of fee by grant/return		
	2012/13 (£)	2011/12 (£)
Housing and Council Tax Benefit	10,210	19,661
Pooling of Housing Capital Receipts	981	798
National Non Domestic Rates return	900	2,098
Housing subsidy	0	3,313
Total fee	12,091	25,870

The Audit Commission changed its fee regime for certifying grants and returns in 2012/13. It set an indicative fee for the Council of £11,500 based on a 40% reduction on the fees for certifying the 2010/11 claims/returns. We made significant efficiencies in our approach to work within the indicative fee set.

The actual fee we charged (£12,091) was higher than the indicative fee. The reason for the fee exceeding the indicative fee was due to the detailed testing required on the Pooling of Housing Capital Receipts return under the Commission's three year cyclical approach which was not included in the original indicative fee.



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