

# Certification report 2012/13 for Stevenage Borough Council

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**Year ended 31 March 2013**

January 2014

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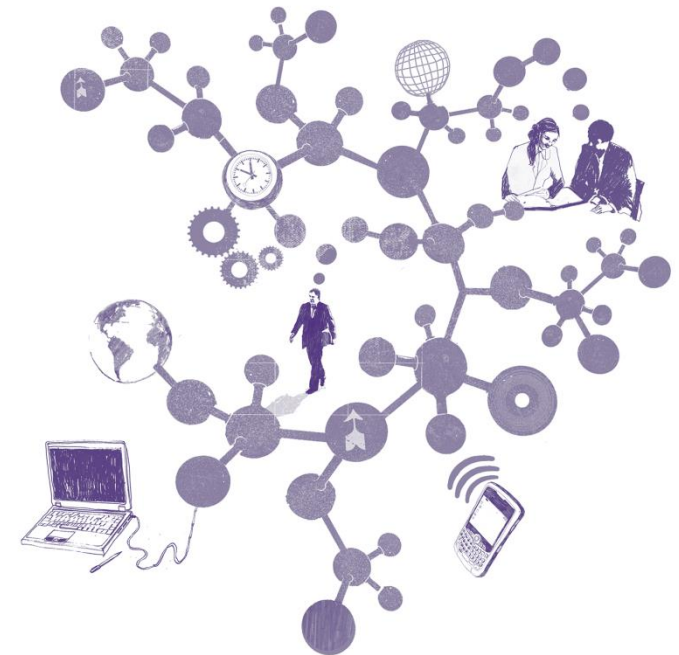
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# Section 1: Executive summary

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 Stevenage Borough Council ('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 three claims and returns for the financial year 2012/13 relating to expenditure of £92.9 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 March 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
<b>Submission &amp; certification</b>	All claims were submitted to the relevant department and auditor in line with required timetable.	●
<b>Accuracy of claim forms submitted to the auditor (including amendments &amp; qualifications)</b>	<ul style="list-style-type: none"> <li>• Pooling of Housing Capital Receipts return required no amendment.</li> <li>• One line amended on National Non-Domestic Return by £310k.</li> <li>• Work on the Housing and Council Tax Benefit Subsidy claim required no amendment.</li> </ul>	●
<b>Supporting working papers</b>	All claims and returns supported by adequate working papers.	●

## **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.

## **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**  
**November 2014**

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## Section 2: Results of our certification work

01. Executive summary

02. Results of our certification work

# Results of our certification work

## Key messages

We have certified three claims and returns for the financial year 2012/13 relating to expenditure of £92.9 million.

The Council's performance in preparing claims and returns is summarised below:

Performance measure	Target	Achievement in 2012/13		Achievement in 2011/12		Direction of travel
		No.	%	No.	%	
Total number of claims		3		4		
Claims submitted on time	100%	3	100%	3	75%	↑
Claims certified on time	100%	3	100%	4	100%	↔
Claims certified with amendment	0%	1	33%	2	50%	↑
Claims certified with qualification	0%	0	0%	1	25%	↑

This analysis of performance shows that the Council's overall performance has improved, with no claims or returns qualified and only one amendment required. This was to correct the "cost of collection" figure on the National Non-Domestic Rates return. The draft return used the year end closing balance of the provision, rather than the in-year movement in the provision less write-offs required by the Certification Instruction.

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

One recommendation for improvement is 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 £19,300.

# 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)	£43,398,241	N	-	N	
Pooling of housing capital receipts (CFB06)	£3,805,568	N	-	N	
National non-domestic rates return (LA01)	£45,742,853	Y	(£310,305)	N	Amount for losses in collection increased, resulting in lower contribution to the pool.

# 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	Ensure the correct figure for losses in collection is calculated and entered in future NNDR returns.	Medium	Improvements have been made to the NNDR bad debt calculation spread sheet to aid the compiler of the NNDR return to clearly identify the figure required for the return. This will reduce the possibility of entering the wrong cost of collection figure.	Implemented.

## Appendix C: Fees

Claim or return	2011/12 fee (£) *	2012/13 indicative fee (£)	2012/13 actual fee (£)	Variance (£)	Explanation for significant variances
Housing and council tax benefits scheme (BEN01)	13,814	13,825	13,825	-	N/a
Pooling of housing capital receipts (CFB06)	2,048	2,050	2,050	-	N/a
National non-domestic rates return (LA01)	3,408	3,425	3,425	-	N/a
<b>Total</b>	<b>19,269</b>	<b>19,300</b>	<b>19,300</b>	<b>-</b>	<b>N/a</b>

\* 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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