

Certification of claims and returns - annual report

Ribble Valley Borough Council

Audit 2010/11



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Introduction

Local authorities claim large sums of public money in grants and subsidies from central government and other grant-paying bodies and are required to complete returns providing financial information to government departments. My certification work provides assurance to grant-paying bodies that claims for grants and subsidies are made properly or that information in financial returns is reliable. This report summarises the outcomes of my certification work on your 2010/11 claims and returns.

Under section 28 of the Audit Commission Act 1998, the Audit Commission may, at the request of authorities, make arrangements for certifying claims and returns because scheme terms and conditions include a certification requirement. Where such arrangements are made, certification instructions issued by the Audit Commission to its auditors set out the work auditors must do before they give their certificate. The work required varies according to the value of the claim or return and the requirements of the government department or grant-paying body, but in broad terms:

- for claims and returns below £125,000 the Commission does not make certification arrangements and I am not required to undertake work;
- for claims and returns between £125,000 and £500,000, I undertake limited tests to agree form entries to underlying records, but do not undertake any testing of eligibility of expenditure; and
- for claims and returns over £500,000 I plan and perform my work in accordance with the certification instruction to assess the control environment for the preparation of the claim or return to decide whether or not to place reliance on it. Depending on the outcome of that assessment, I undertake testing as appropriate to agree form entries to underlying records and test the eligibility of expenditure or data.

Claims and returns may be amended where I agree with your officers that this is necessary. My certificate may also refer to a qualification letter where there is disagreement or uncertainty, or you have not complied with scheme terms and conditions.

Summary of my 2010/11 certification work

The Authority has performed well in preparing claims and returns.

My work resulted in an amendment of only one of the two claims and returns for the year ended 31 March 2011 the Authority was required to submit for certification. In no cases did I have to issue a qualification letter accompanying my certificate on a claim or return.

Table 1: Summary of 2010/11 certification work

Number of claims and returns certified	
Total value of claims and returns certified	20,064,422
Number of claims and returns amended due to errors	1
Number of claims and returns where I issued a qualification letter because there was disagreement or uncertainty over the content of the claim or return or scheme terms and conditions had not been complied with	0
Total cost of certification work	17,537

I gave an unqualified report on each of the two claims. Some minor amendments were needed to the Housing and Council Tax Benefit claim, as there were a number of errors which were a product of the Housing Benefit system and needed to be manually adjusted on the claim. The claim was amended to correct these errors.

Results of 2010/11 certification work

This section summarises the results of my 2010/11 certification work and highlights any significant issues arising from that work.

Table 2: Claims and returns above £500,000

Claim or return	Value of claim or return presented for certification (£'000)	Was reliance placed on the control environment?	Value of any amendments made (£'000)	Was a qualification letter issued?
Housing and council tax benefit scheme	£ 8,931	Y	£10.6	N
National non-domestic rates return	£11,134	Y	-	N

Summary of certification fees

This section summarises the fees arising from my 2010/11 certification work and highlights the reasons for any significant changes in the level of fees from 2009/10.

Table 3: Summary of certification fees

Claim or return	2010/11 fee	2009/10 fee	Reasons for changes in fee greater than +/- 10 per cent
Housing and council tax benefit scheme	16,855	17,792	
National non-domestic rates return	682	3,083	Detailed testing was completed in 2009/10 and I was able to rely on this for my audit of the 2010/11 claim.
Total	17,537	20,875	

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The Statement of responsibilities of grant-paying bodies, authorities, the Audit Commission and appointed auditors in relation to claims and returns issued by the Audit Commission explains the respective responsibilities of auditors and of the audited body.

