

Craven District Council

Certification of claims and returns

Annual report 2013/14



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Our reports are prepared in the context of the Audit Commission’s ‘Statement of responsibilities of auditors and audited bodies.’ Reports and letters prepared by appointed auditors and addressed to members or officers are prepared for the sole use of the Authority and we take no responsibility to any member or officer in their individual capacity or to any third party.

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Background

Craven District Council (the Council) receives more than £12 million in funding from various grant-paying government departments. These departments attach conditions and restrictions to these grants which the Council must meet otherwise funding may be withdrawn or clawed-back.

It is therefore important that the Council can demonstrate that it:

- has put in place adequate arrangements to prepare and authorise each claim and return; and
- can evidence that it has met the terms and conditions put in place by the grant paying body for each claim and return.

The scope of our work

As the Council's appointed auditor, we act as an agent of the Audit Commission to certify specified claims and returns.

The Audit Commission, in consultation with the grant-paying bodies, sets out a programme of work in the form of Certification Instructions (CI) that we must follow. It also sets an overall framework under which we carry out our certification work.

- For claims and returns below £125,000 the Audit Commission does not make certification arrangements and as such we are not required to carry out any certification work.
- For claims and returns between £125,000 and £500,000, the Audit Commission requires us to undertake limited tests to ensure that entries on the claim form agree with underlying records.
- For claims and returns over £500,000, we assess the control environment the Council has put in place for preparing the claim to decide whether we can place reliance on these arrangements. Where we can place reliance on the Council's arrangements we undertake limited testing to ensure that entries on the claim form agree with underlying records (as above).

Where we cannot place reliance on the Council's control environment we carry out the full programme of testing in the Audit Commission's CI.

Our certificate

On completion of the specified work we issue a certificate, the wording of which depends on the level of work we have performed on each claim. The certificate states whether the claim has been certified either without qualification; without qualification following amendment by the Council; or with a qualification letter. Where we issue a qualification letter or the claim or return is amended by the Council, the grant paying body may withhold or claw-back grant funding.

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Findings

The Council's control environment

In 2013/14 we have not certified any claims which require assessment of the Council's control environment.

There were no recommendations in our 2012/13 certification report arising from control environment assessments carried out in that year.

Amendments and Qualifications

Appendix A to this report provides an analysis of the claim on which we carried out certification work.

We certified only one claim in 2013/14, Housing Benefit Subsidy. This claim was certified with a qualification letter.

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Certification fees

For 2013/14 the total fees charged for certification work was £12,716. This represents a significant reduction on fees charged in previous years (£15,750, 2012/13) as a result of:

- a reduction in the number of claims and returns for which the Audit Commission has made certification arrangements; and
- removal of Council Tax Benefits from subsidy.

A breakdown of the fees charged for each claim or return is provided in Appendix A.

Appendix A – Summary of certified claims and returns

Claims and returns above £500,000

Claim or return	Value	2012/13 fee	2013/14 fee	Reasons for significant movement	Amended	Qualified
Housing Benefit Subsidy	£9,913,907	£14,395	£12,716*	Removal of Council Tax Benefits from subsidy	No	Yes
National Non Domestic Rates	n/a	£1,355	-	Changes to Non Domestic Rates meaning that certification is no longer required	n/a	n/a
Total	£9,913,907	£15,750	£12,716			

*The scale fee reported in the Annual Audit Letter was £9,416. The final fee in the table above reflects the work completed and is in line with the reduction suggested by the Audit Commission to reflect the removal of Council Tax Benefit from subsidy.