

Certification of claims and returns - annual report

Hampshire County Council

Audit 2010/11



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Introduction

Local authorities claim large sums of public money in grants and subsidies from government departments and other grant-paying bodies and must complete returns providing financial information to government departments. My certification work provides assurance to government departments and 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 the Audit Commission arranges certification it issues instructions setting out the work auditors must complete before giving their certificate. The work necessary varies according to the value of the claim or return and the requirements of the government department or grant-paying body. Broadly for claims and returns:

- below £125,000 - I carry out no work;
- from £125,000 and £500,000 - I undertake limited tests to agree form entries to underlying records, but do not test the expenditure or data is eligible; and
- over £500,000 - I plan and perform my work following the certification instruction. I assess your control environment for preparing the claim or return and decide how much I can rely on your controls. Based on my assessment, I tailor my approach to agree form entries to underlying records and test the expenditure or data is eligible.

Where I agree it is necessary you can amend your claim or return. My certificate may also refer to a qualification letter where there is disagreement or uncertainty, or you do not comply with scheme terms and conditions.

2010/11 certification work

In 2010/11 I checked and certified one claim and one return. There were no recommendations from my 2009/10 work requiring follow up. I found errors on the claim and a minor casting error on the return. Both the claim and the return were amended, but I did not issue any qualification letters.

Sure start grant claim	The Council runs facilities under the Sure Start scheme as part of providing pre-school education. The Department for Education requires me to check this claim and certify that spending meets government criteria
Value of claim presented for certification	£52,691,256
Limited or full review	Full
Control environment relied on	No - I initially planned to rely on the control environment and undertake a limited review. However, during my initial assessment I identified a classification error and a funding error in the claim as a result I was unable to rely on the control environment and subsequently undertook a full review.
Amended	Yes – The claim presented for audit was reduced by £938,831 to £51,752,425
Qualification letter	No
Issues arising in 2010/11:	
<ul style="list-style-type: none"> ■ an overspend on the Sure Start Learning Programme was erroneously funded from the main revenue funding block; and ■ the main capital block is made up of two projects, but the split between projects was not reflected on the claim form. 	
The claim was amended for both of these errors.	

Teachers' Pensions return	The Department of Work and Pensions requires me to check the return for the teachers' pension scheme, which runs separately from the Local Government Pension Scheme. Councils must complete a return setting out what they have collected under the scheme and how much they need to pay over to the government
Value of return presented for certification	£74,500,917
Limited or full review	Limited
Control environment relied on	Yes
Amended	Yes – casting error only
There were no issues arising from my work requiring a report.	

Certification fees

I charged £7,991 in total for grant certification work in 2010/11 and £6,322 in 2009/10. The overall cost of certification has increased.

Claim or return	2009/10 fee	2010/11 fee
	£	£
Sure Start grant claim	3,984	5,542
Teachers' Pensions Return	2,338	2,449
Total	6,322	7,991

The main reason for the increase in fees is because I was unable to place reliance on the control environment for the Sure Start claim and subsequently undertook a full review. This meant the work took longer to carry out.

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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.



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