

Certification of claims and returns - annual report

Hampshire County Council

Audit 2011/12



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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 2011/12 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.

2011/12 certification work

In 2011/12 I checked and certified one return. There were no recommendations from my 2010/11 work requiring follow up. I found errors on the return which was amended, but I did not issue any qualification letters.

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	£65,567,336
Limited or full review	I was required to undertake a full review in 2011/12 as it was the third year since my last full review.
Amended	Yes
Issues arising from the audit	The following issues were identified during the course of the audit: <ul style="list-style-type: none">• The Council did not retain all of the supporting documentation used in the compilation of the claim and as a result further work was required by officers to provide verification of relevant amounts.• There were errors in the treatment of refunds made in respect of previous years.
There were no issues arising from my work requiring a qualification report.	

Certification fees

I charged £4,138 in total for grant certification work in 2011/12 and £7,991 in 2010/11. The overall cost of my certification work has decreased.

Claim or return	2010/11 fee £	2011/12 fee £
Sure Start grant claim	5,542	Not applicable
Teachers' Pensions Return	2,449	4,138
Total	7,991	4,138

The main reasons for the variance in fee compared to 2010/11 are:

- In 2011/12 Sure Start grant claim certification was not required as the scheme ceased to exist;
- I had to undertake a full review of the Teachers' Pension Return as 2011/12 was the third year since my last full review. The general certification instructions issued to auditors requires a full review at least every three years.

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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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