



PUBLIC SECTOR

Certification of grants and returns 2008/09

Bury Metropolitan Borough Council

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AUDIT

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Headlines

<p>Introduction & background</p>	<p>This report summarises the results of work on the certification of the Council’s 2008/09 grant claims and returns.</p> <ul style="list-style-type: none"> ● For 2008/09 we certified: <ul style="list-style-type: none"> – 8 returns with a total value of £121m. 	<p>-</p>
<p>Certification results</p>	<p>We issued unqualified certificates for 5 grants and returns but qualification was necessary in 3 cases.</p> <ul style="list-style-type: none"> ● The HRA Subsidy Base Data Return was qualified because the Authority used a ‘cloning system’, where the Council looks at a typical property, known as an archetype, and this is used as a proxy for properties of a similar type. The certificate instruction, upon which our audit procedures are based, requires a comprehensive survey of dwellings. ● The Housing and Council Tax Benefit return was qualified because the reconciliation between benefits granted and benefits paid identified a difference of £4,291. ● The HRA Subsidy Return was qualified because the Authority had identified an error within a pre-set cell, which cannot be changed, relating to Subsidy Capital Financing Requirement. ● In 2007/8, we qualified 3 returns. 	<p>Pages 3 – 4</p>
<p>Audit adjustments</p>	<p>Adjustments were necessary to 2 of the Council’s grants and returns as a result of our certification work this year.</p> <ul style="list-style-type: none"> ● The value of adjustments to grants and returns was £6,696. ● One return was amended, but this did not impact the return overall. ● In 2007/8, amendments were needed to 6 claims and returns. 	<p>Pages 3 – 4</p>
<p>The Council’s arrangements</p>	<p>Although there has been a number of amendments and qualifications, these mainly relate to underlying records rather than the Council’s arrangements for preparing its grant and returns. Therefore, we believe the Council has good arrangements for preparing its grants and returns and supporting our certification work.</p>	<p>-</p>
<p>Fees</p>	<p>Our overall fee for the certification of grants and returns is £36,189.</p> <ul style="list-style-type: none"> ● Fees have reduced from 2007/08, when we charged £54,600. ● Fees are higher than the original estimate (of £32,000) because additional work was required due to the number of amendments and qualifications. 	<p>Page 5</p>

Summary of certification work outcomes

Overall, we certified 8 grants and returns

- 4 were unqualified with no amendment
- 1 was unqualified but required some amendment to the final figures
- 3 required a qualification to our audit certificate
- 1 of the qualified returns also required amendment

Detailed comments are provided overleaf

Detailed below is a summary of the key outcomes from our certification work on the Council's 2008/09 grants and returns, showing where either audit amendments were made as a result of our work or where we had to qualify our audit certificate.

A qualification means that issues were identified concerning the Council's compliance with a scheme's requirements that could not be resolved through adjustment. In these circumstances, it is likely that the relevant grant paying body will require further information from the Council to satisfy itself that the full amounts of grant claimed are appropriate.

	Comments overleaf	Qualified Opinion		Unqualified Opinion		
		Qualification letter	Significant adjustment	Minor adjustment	No adjustments	
Housing and Council Tax Benefit	3	1				
NNDR						1
Housing Subsidy	2	1				
HRA Subsidy Base Data	1	1				
Pooling of Housing Capital Receipts						1
Disabled Facilities Grant						1
Teachers Pensions				1		
General Sure Start						1
Total		3	0	1	4	

Summary of certification work outcomes

This table summarises the key issues behind each of the adjustments or qualifications that were identified on the previous page

Ref	Summary observations	Amendment
①	<p>HRA Subsidy Base Data Return</p> <ul style="list-style-type: none"> The return was qualified because the Authority uses a method of property cloning based on similar archetypal stock upon the advice of external surveyors who implement the system. This is not in-line with the strict requirements of paragraph 28 of the Certificate Instruction, which requires a comprehensive survey of the Authority's dwellings. DCLG have, however, accepted that this is a reasonable approach for the Authority to take and will not be taking any further action, as the Authority surveys a large proportion of the dwellings. 	None required
②	<p>HRA Subsidy Return</p> <ul style="list-style-type: none"> The return was qualified because the Authority identified an error in a cell which is pre-set and cannot be altered by the Authority. The Subsidy Capital Financing Requirement for 2008/09 had not been adjusted to take account of the 2007/08 special determination, which is a variation to the terms of the general determination for exceptional circumstances. 	None required
③	<p>Housing and Council Tax Benefit Return</p> <ul style="list-style-type: none"> The return was qualified because the reconciliation process highlighted a difference of £4,291 between benefit granted and benefit paid for HRA Rent Rebates. The return was also amended by £6,696 	+£6.7k

Fees

Our overall fee for the certification of grants and returns is £36,189.

Breakdown of certification fees 2008/09

Breakdown of fee by grant / return	2008/09 (£)	2007/08 (£)
Disabled Facilities	1,375	1,440
NNDR	4,273	4,465
Pooling of Housing Capital Receipts	2,607	2,145
HRA Subsidy Base Data Return	5,222	4,868
HRA Subsidy	4,753	3,638
Teachers Pension	3,773	4,093
Housing Benefits	11,311	31,920
General Sure Start	2,875	2,032
Total fee	36,189	54,600

Our initial estimated fees for certifying 2008/09 grants and returns was £32,000. The actual fee charged was higher than that estimated due to the additional work required as a result of the amendments and qualifications to the claims and returns identified on page 3.