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Certification of grants and returns 2010/11

Bury Metropolitan Borough
Council

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	Page
■ Headlines	2
■ Summary of certification work outcomes	3
■ Fees	5

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Introduction and background	<p>This report summarises the results of work on the certification of the Council's 2010/11 grant claims and returns.</p> <ul style="list-style-type: none"> ■ For 2010/11 we certified: <ul style="list-style-type: none"> – Two grants with a total value of £9.2 million; and – Six returns with a total value of £125.7 million. 	<p>-</p>
Certification results	<p>We issued unqualified certificates for seven grants and returns but qualification was necessary in one case.</p> <ul style="list-style-type: none"> ■ The Housing Subsidy Base Date Return was qualified. This reason for the qualification was the same issue raised in 2009/10, namely a technical issue relating to how housing stock is valued for subsidy purposes. 	<p>Pages 3 – 4</p>
Audit adjustments	<p>Adjustments were necessary to two of the Council's grants and returns as a result of our certification work this year.</p> <ul style="list-style-type: none"> ■ An adjustment of £270 was made to the General Sure Start grant reducing the value of the grant claimed; and ■ An adjustment of £5,759 was made to the Housing Subsidy return increasing the value of subsidy. 	<p>Pages 3 – 4</p>
The Council's arrangements	<p>The Council has good arrangements for preparing its grants and returns and supporting our certification work. This is reflected in the limited number of adjustments made and one qualification resulting from a technical issue.</p>	
Fees	<p>Our overall fee for the certification of grants and returns is broadly in line with the original estimate of £36,000 at £36,268.</p>	<p>Page 5</p>

Overall, we certified eight grants and returns:

- Five were unqualified with no amendment;
- Two were unqualified but required an amendment to the final figures; and
- One required a qualification to our audit certificate.

Detailed comments are provided overleaf.

Detailed below is a summary of the key outcomes from our certification work on the Council's 2010/11 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 certificate	Significant adjustment	Minor adjustment	Unqualified certificate
Housing and Council Tax Benefit					●
Housing Subsidy	1			●	●
Housing Subsidy Base Data	2	●			
NNDR					●
Pooling of Housing Capital Receipts					●
Teachers' Pensions Return					●
Disabled Facilities Grant					●
General Sure Start	3			●	●
		1	0	2	7

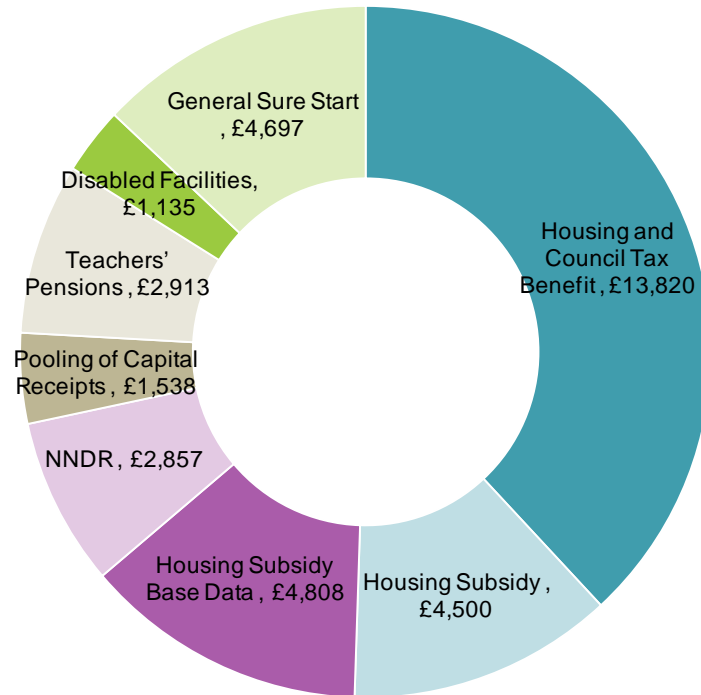
Summary of certification work outcomes (continued)

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>Housing Subsidy</p> <ul style="list-style-type: none"> An adjustment was made to the capital financing requirement at 1 April 2011 so that the amended figure agreed to the 2010/11 financial statements of the authority. This was in line with the requirements of paragraph 50 of the Certification Instruction. The adjustment increased the subsidy entitlement by £5,759. 	+ £5,759
2	<p>Housing Subsidy Base Data</p> <ul style="list-style-type: none"> The return was qualified because the Council uses a method of property value extrapolation 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 29 of the Certification Instruction, which requires a comprehensive survey of the Council's dwellings. DCLG have, however, accepted that this is a reasonable approach for the Council to take and will not be taking any further action, as the Council surveys a large proportion of the dwellings. This claim was qualified for the same technical issue in 2008/09 and 2009/10. 	N/A
3	<p>General Sure Start</p> <ul style="list-style-type: none"> A transposition error was made compiling the claim that resulted in a small adjustment, reducing the grant by £270. 	- £270

Our overall fee for the certification of grants and returns is broadly in line with our original estimate.

Breakdown of certification fees 2010/11



Breakdown of fee by grant/return

£	2010/11	2009/10
Housing and Council Tax Benefit	13,820	12,661
Housing Subsidy	4,500	2,744
Housing Subsidy Base Data	4,808	4,416
NNDR	2,857	2,831
Pooling of Housing Capital	1,538	1,541
Teachers' Pensions Return	2,913	3,484
Disabled Facilities Grant	1,135	1,144
General Sure Start	4,697	5,921
Total fee	£36,268	£34,742

Our initial estimated fees for certifying 2010/11 grants and returns was £36,000. The actual fee charged was in line with that estimate at £36,268.

There are two returns where the fee was higher than that of 2009/10. The main reasons were:

- In 2010/11 we undertook increased our quality control work on housing and council tax benefit to respond to the increasing documentation requirements regarding this claim.
- Due to errors and qualification issues identified in 2009/10 on housing subsidy in 2010/11 we undertook all parts of the testing included within the certification instructions. In 2009/10 we only undertook the minimum required testing.



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