



Certification report 2012/13 for Blackburn with Darwen Council

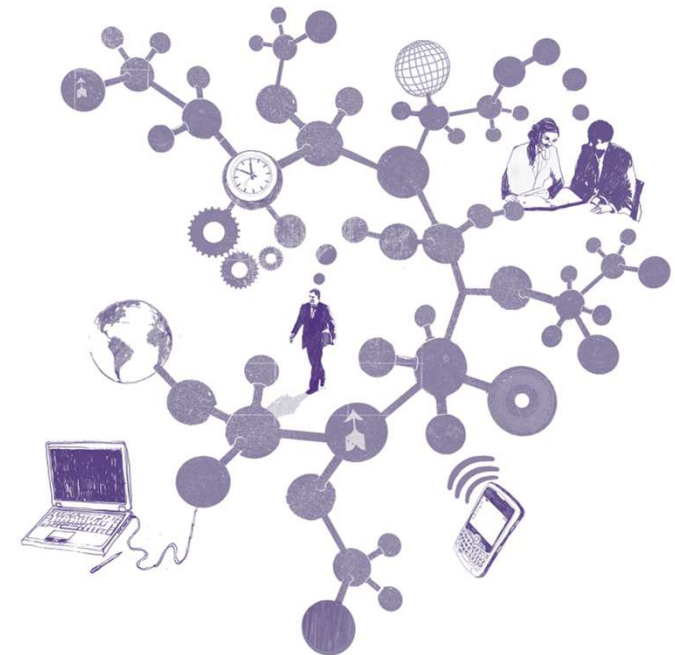
Year ended 31 March 2013

January 2014

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Section 1: Executive summary

01. Executive summary

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Executive summary

Introduction

We are required to certify certain of the claims and returns submitted by Blackburn with Darwen Council ('the Council'). This certification typically takes place six to nine months after the claim period and represents a final but important part of the process to confirm the Council's entitlement to funding.

We have certified three claims and returns for the financial year 2012/13 relating to expenditure of £140.961 million.

This report summarises our overall assessment of the Council's management arrangements in respect of the certification process and draws attention to significant matters in relation to individual claims.

Approach and context to certification

Arrangements for certification are prescribed by the Audit Commission, which agrees the scope of the work with each relevant government department or agency, and issues auditors with a Certification Instruction (CI) for each specific claim or return.

Key messages

A summary of all claims and returns subject to certification is provided at Appendix A. The key messages from our certification work are summarised in the table below and set out in detail in the next section of the report.

Aspect of certification arrangements	Key Messages	RAG rating
Submission & certification	All claims were submitted on time for audit and all were certified within the required deadlines.	●
Accuracy of claim forms submitted to the auditor (including amendments & qualifications)	Overall the Council continues to perform well as there were no significant matters arising from our certification work that required amendment of claims and returns. Qualification letters were issued for the Housing Benefits Claim and the Teachers' Pension Return. However, the Housing Benefit qualification letter reflected errors reduced in both volume and significance from the position set out in 2011/12.	●
Supporting working papers	Supporting working papers for claims and returns were good. This enabled a smoother audit process and certification within the required deadlines.	●

Acknowledgements

We would like to take this opportunity to thank the Council officers for their assistance and co-operation during the course of the certification process.

Grant Thornton UK LLP
January 2014

Section 2: Results of our certification work

01. Executive summary

02. Results of our certification work

Results of our certification work

Key messages

We have certified three claims and returns for the financial year 2012/13 relating to expenditure of £140.961 million.

The Council's performance in preparing claims and returns is summarised below:

Performance measure	Target	Achievement in 2012/13		Achievement in 2011/12	
	%	No.	%	No.	%
Claims submitted on time	100	3	100	3	100
Claims certified on time	100	3	100	3	100
Claims certified with amendment	0	0	0	0	0
Claims certified with qualification	0	2	66.6	1	33.3

This analysis of performance shows that:

- all claims were submitted by the required date and certified by the audit deadlines
- although the percentage of claims certified with qualification has increased, this does not reflect a significant deterioration in performance because of the small number of claims involved

Details of the certification of all claims and returns are included at Appendix A.

Significant findings

Our work has identified the following issues in relation to the management arrangements and certification of individual grant claims and returns:

Certification of the Housing Benefit and Council Tax Benefit Subsidy Claim

This claim has been qualified for several years and was again subject to qualification in 2012/13. The claim is high in value and complex given both the volume of transactions and the complexity of the scheme itself.

Our certification of the return requires both:

- testing of a sample of 2012/13 benefit cases to confirm that the Council has paid the correct amount of benefit and claimed the correct amount of subsidy from the Department of Works and Pensions (DWP); and
- review and sample testing of those individual cells where errors were reported in the 2011/12 qualification letter to determine if the issues identified persist.

Our sample testing of 2012/13 benefit cases did not identify any errors. This is an improvement on the previous year. Although our testing of cells where errors were found in 2011/12 identified errors again, the number of errors found had reduced from the previous year.

Errors can result in the Council claiming the incorrect amount of subsidy from DWP and may result in the Council receiving less subsidy than anticipated.

Certification fees

The Audit Commission set an indicative scale fee for grant claim certification based on 2010/11 certification fees for each audited body. The indicative scale fee for the Council for 2012/13 is £25,900.

Appendices

Appendix A: Details of claims and returns certified for 2012/13

Claim or return	Value	Amended?	Amendment (£)	Qualified?	Comments
Housing and Council Tax Benefit Subsidy Return	£72.774 m	No	N/a	Yes	See comments set out at significant findings
National Non Domestic Rates (NNDR) Return	£57.760 m	No	N/a	No	None
Teachers' Pension Return	£10.426 m	No	N/a	Yes	Qualification letter required to set out minor differences in value of less than £100.



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