



# Certification report 2013/14 for Dover District Council

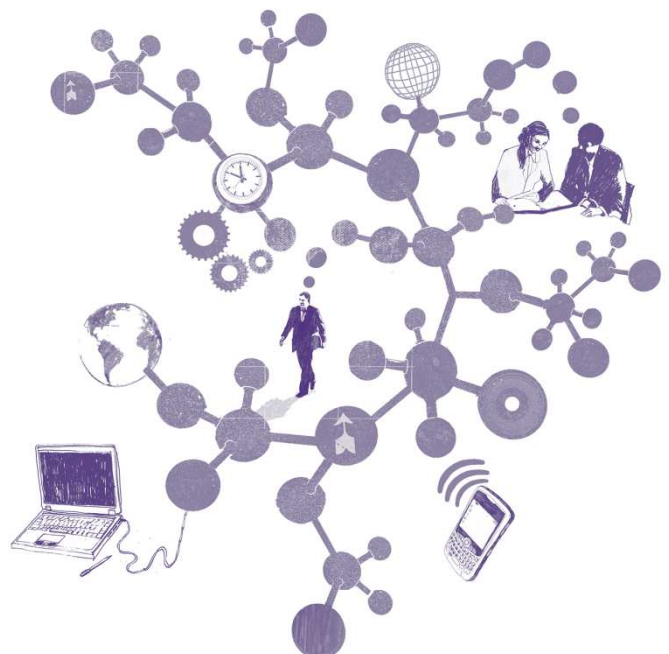
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**Year ended 31 March 2014**

December 2014

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# Summary of findings

## Introduction

We are required to certify certain claims and returns submitted by Dover District 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 two claims and returns for the financial year 2013/14 relating to expenditure of £42 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.

Our approach to certification work, the roles and responsibilities of the various parties involved and the scope of the work we perform were set out in our Certification Plan issued to the Council in March 2014.

## 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 arrangement	Key Messages	RAG rating
Submission & certification	Both claims continue to be submitted for audit on time and were all certified within the required deadlines.	● Green
Accuracy of claim forms submitted to the auditor (including amendments & qualifications)	The Council continue to perform well overall: <ul style="list-style-type: none"> <li>• the pooling of housing receipts return was certified without amendment or qualification.</li> <li>• a qualification letter was issued in relation to the Housing Benefit claim and a minor amendment made to the claim with no impact on subsidy claimed.</li> </ul>	● Amber
Supporting working papers	Working papers provided for both claims were of a high standard with clear audit trails back to the claim forms. This enabled certification within the deadlines.	● Green

### **Certification fees**

The indicative certification fee set by the Audit Commission for 2013/14 for Dover District Council is based on final 2011/12 certification fees, reflecting the amount of work required by the auditor to certify the claims and returns in that year. Fees for schemes no longer requiring certification (such as the national non-domestic rates return) have been removed. The fees for certification of housing benefit subsidy claims were reduced by 12 per cent, to reflect the removal of council tax benefit from the scheme. This is set out in more detail in Appendix C.

### **The way forward**

We set out recommendations to address the key messages above and other findings arising from our certification work at Appendix B.

Implementation of the agreed recommendations will assist the Council in compiling accurate and timely claims for certification. This will reduce the risk of penalties for late submission, potential repayment of grant and additional fees.

### **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**  
**December 2014**

# Appendices

## Appendix A: Details of claims and returns certified for 2013/14

Claim or return	Value	Amended?	Amendment (£)	Qualified?	Comments
Housing benefit subsidy claim	40,645,945	Y	£283,238  Subsidy was increased by £282,489 prior to audit to correctly reflect parameters for Local Housing Authority Cap levels. Testing was based on this updated claim.  Subsidy was increased by £749 based on a review of the full population of prisoner accommodation figures as a result of an error identified in the initial sample.	Y - The claim was qualified as a result of the following: <ul style="list-style-type: none"> <li>• Incorrect eligible rent applied: Our initial testing identified one case where benefit had been overpaid due to applying the incorrect rent figure. As a result an additional sample of 40 cases were tested and a further three errors identified.</li> <li>• Incorrect state retirement pension applied: Our initial testing identified one case where benefit had been overpaid as a result of the incorrect pension figure being applied. As a result an additional sample of 40 cases were tested and no further errors identified</li> <li>• An issue was raised at other Civica sites highlighting a potential system error. This was included for information in all letters for those sites using Civica.</li> </ul>	See action plan on page 7 for management responses.
Capital receipts return	2,274,590	N	0	N	There were no issues arising.

## Appendix B: Action plan

### Priority

**High** - Significant effect on arrangements

**Medium** – Some effect on arrangements

**Low** - Best practice

Rec No.	Recommendation	Priority	Management response	Implementation date & responsibility
1	<p>Housing benefit subsidy claim</p> <p>Review and training to address issues identified by the 2013/14 audit including:</p> <ul style="list-style-type: none"> <li>• application of eligible rent figure in the benefit calculation</li> <li>• application of state retirement pension figure in the benefit calculation</li> </ul>	Medium	<p>Incorrect eligible rent applied:</p> <p>This occurred as a result of inconsistent templates being used by Housing during the notification of B&amp;B rents. Housing have agreed to use a single template to guarantee consistency of frequency and all staff have been reminded about this issue. All possible affected cases have already been checked to ensure on-going accuracy.</p> <p>Incorrect state retirement pension applied:</p> <p>This appears to be a one-off manual data transposition error. All staff have been reminded by email about the need to double check data input prior to claim processing.</p>	<p>EKS Operational Support Manager</p> <p>Immediate</p>
2	<p>Follow up with Civica whether any system errors apply to Dover DC.</p>	Medium	<p>Whilst Dover do not believe that they are affected by this issue, Civica have issued a bulletin advising that a global fix will be applied shortly which will enable all affected cases to be identified and automatically resolved via an adjustment in the 2014/2015 claim.</p>	<p>EKS Operational Support Manager</p> <p>2014/15 claim preparation</p>

## Appendix C: Fees

Claim or return	2012/13 fee (£)	2013/14 indicative fee (£)	2013/14 actual fee (£)	Variance year on year (£)	Explanation for significant variances
<b>Housing benefits subsidy claim</b>	25,040	16,455	16,455	-8,585	<p>The fees for certification of housing benefit subsidy claims were reduced by 12 per cent, to reflect the removal of council tax benefit from the scheme.</p> <p>The Audit Commission fee scale is based on the historic actual fee from two years prior to the current year. The 2012/13 fee is set on historical 2010/11 data and the 2013/14 fee is set on historical 2011/12 data. Therefore an improvement from 2010/11 to 2011/12 drives a fee decrease from 2012/13 to 2013/14.</p>
<b>Capital receipts return</b>	1,016	501	501	-515	The 2012/13 fee reflects the a required amendment to the claim. In 2013/14 no issues were identified.
<b>Total</b>	<b>26,056</b>	<b>16,956</b>	<b>16,956</b>	<b>-9,100</b>	





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