



# Certification report 2012/13 for Dover District Council

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**Year ended 31 March 2013**

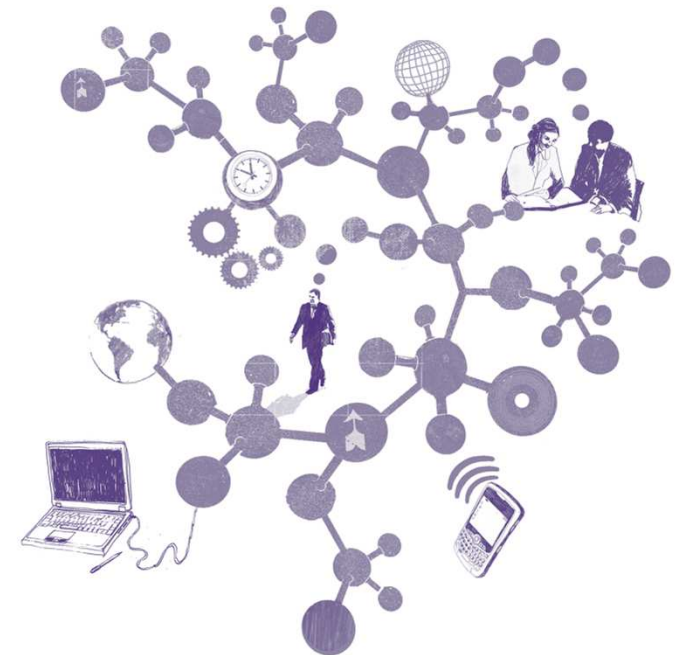
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**Emily Hill**

Associate Director  
T 020 7728 3258  
E [emily.hill@uk.gt.com](mailto:emily.hill@uk.gt.com)

**Daniel Woodcock**

Assistant Manager  
T 01293 554 122  
E [daniel.woodcock@uk.gt.com](mailto:daniel.woodcock@uk.gt.com)



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# Section 1: Executive summary

01. Executive summary

02. Results of our certification work

# Executive summary

## Introduction

We are required to certify certain of the 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 three claims and returns for the financial year 2012/13 relating to expenditure of £83.3 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 on 26 September 2013.

## 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
<b>Submission &amp; certification</b>	The majority of the claims were submitted to audit on time and all claims were certified before the required deadline.	● AMBER
<b>Accuracy of claim forms submitted to the auditor (including amendments &amp; qualifications)</b>	Minor amendments were made to all three claims, with the Housing and Council Tax Benefit claim being qualified.	● AMBER
<b>Supporting working papers</b>	Supporting working papers for the three claims certified were found to be accurate and officers provided these in a timely manner.	● GREEN

## **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 and East Kent Services officers for their assistance and co-operation during the course of the certification process.

**Grant Thornton UK LLP**  
**February 2014**

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## 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 £83.3 million.

The Council's performance in preparing claims and returns is summarised below. However, it should be noted that the number of claims changing between years impacts on the direction of travel.

Performance measure	Target	Achievement in 2012/13		Achievement in 2011/12		Direction of travel
		No.	%	No.	%	
Number of claims		3		4		
Claims submitted on time	100%	2	67	3	75	
Claims certified on time	100%	3	100	4	100	
Claims certified with amendment	0%	3	100	1	25	
Claims certified with qualification	0%	1	33	1	25	

This analysis of performance shows that:

- All claims were amended during 2012/13 compared to only one in 2011/12.
- Although the direction of travel appears to have worsened, this is mainly caused by the reduction in the number of claims in 2012/13.

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:

- In relation to the National Non-domestic Rates return, deferrals testing highlighted a prior year deferral that should have been removed from the claim. The Council reviewed all deferrals and found further prior year deferrals which were been removed from the claim correctly.

Recommendations for improvement are included in the action plan at Appendix B

## 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 £26,450.

Due to the cyclical testing requirements of the Audit Commission whereby detailed testing is required every three years, the actual fee charged to the Council for 2012/13 was £28,667, which is an increase of £2,217. This increase has been agreed with both officers and the Audit Commission. Overall, the fee has reduced, on a like-for-like basis, by 37% compared to 2010/11.

# Appendices



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

Claim or return	Value	Amended?	Amendment (£)	Qualified?	Comments
Pooling of housing capital receipts	£1.25m	Yes	((680) (reduction)	No	
National non-domestic rates return	£32.8m	Yes	((6,922) (reduction)	No	
Housing and Council Tax Benefit	£49.3m	Yes	£0	Yes	Although the claim form was amended there was no impact on the amount of subsidy payable to the Council.

## 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	The Council should review prior year deferrals on an annual basis to ensure that "old" deferrals are correctly excluded from the claim form.	Medium	The process of checking deferred accounts has been added to our annual year end testing process.	March 2014 Income Manager (EKS)
2	Where reconciliation differences arise between benefit paid and benefit granted the lower figure should be applied to each individual claim type.	Medium	Agreed	Already implemented Operational Support Manager (EKS)

## Appendix C: Fees

Claim or return	2011/12 actual fee (£)	2011/12 fee (£) including 40% reduction	2012/13 indicative fee (£)	2012/13 actual fee (£)	Variance year on year (£)	Explanation for significant variances
Pooling of housing capital receipts	822	493	500	1,016	523	Results from additional (Part B) testing being required in 2012/13 in line with the cyclical approach required under Audit Commission guidance.
National non-domestic rates return	1,327	796	910	2,611	1,815	Results from additional (Part B) testing being required in 2012/13 in line with the cyclical approach required under Audit Commission guidance.
Housing benefits subsidy claim	30,700	18,420	25,040	25,040	6,863	The 2012/13 indicative fee was based on the 2010/11 fee less 40% and there was a greater level of additional testing required in 2010/11 than in 2011/12. In comparison to 2010/11 on which the 2012/13 audit fee is based, a 37% reduction has been achieved on a like-for-like basis.
Housing revenue account subsidy	982	589	-	-	-	Not required to be audited in 2012/13
<b>Total</b>	<b>33,831</b>	<b>20,298</b>	<b>26,450</b>	<b>28,667</b>	<b>9,201</b>	



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