

# Certification report 2012/13 for Cheshire East Council

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**Year ended 31 March 2013**

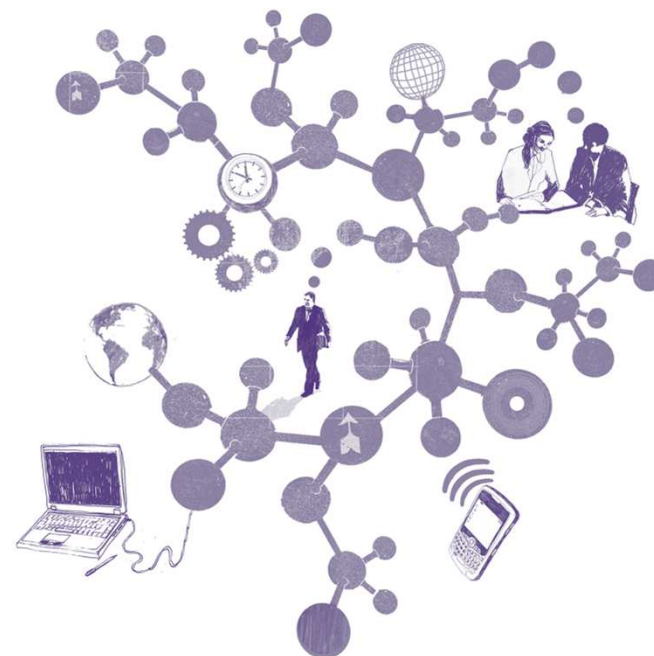
27 November 2013

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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 Cheshire East 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 four claims and returns for the financial year 2012/13 relating to expenditure of £253.6 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 by the certification deadlines	●
Accuracy of claim forms submitted to the auditor (including amendments & qualifications)	There were no significant errors or amendments in any of the four claims submitted for audit, and no qualification letters issued	●
Supporting working papers	Supporting working papers provided for the claims were good, which enabled certification within the deadlines	●

## The way forward

We set out recommendations to assist the Council in compiling accurate and timely claims for certification.

## 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**  
November 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 four claims and returns for the financial year 2012/13 relating to expenditure of £253.6 million.

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

Performance measure	Target	Achievement in 2012/13		Achievement in 2011/12		Direction of travel
		No.	%	No.	%	
Claims submitted on time	100%	4	100	4	100	↔
Claims certified on time	100%	4	100	4	100	↔
Claims certified without amendment	100%	3	75	2	50	↑
Claims certified without qualification	100%	4	100	3	75	↑

This analysis of performance shows that:

- all claims were submitted by the required dates, and all were certified by the audit deadlines
- there were fewer claims requiring amendments and qualification in 2012/13

Details of the certification of all claims and returns are included at [Appendix A](#).

## Significant findings

Our work has not identified any significant findings in relation to the management arrangements and certification of individual grant claims and returns.

Recommendations for improvement are included in the action plan at [Appendix B](#), however the areas address are not significant enough for qualification of the claims, and should lead to additional income generation going forward.

## 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 £41,600 and the fee has not exceeded this level. [Appendix C](#) provides fees for each certification audit.

# Appendices

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

Claim or return	Value	Amended?	Amendment (£)	Qualified?	Comments
National Non Domestic Rates (NNDR) return	£126.9m	No	-	No	The 2012/13 return included an amendment of £4.38m relating to an under claim from 2010/11, a process which was agreed with the DCLG
Teachers' Pension Return	£17.3m	No	-	No	
A34 bypass transport grant	£1.8m	No	-	No	2013/14 will be the final claim for the A34 bypass grant
Housing Benefits claim	£107.7m	Yes	110	No	This is the first year since the creation of the Unitary Council that the Housing Benefit claim was unqualified



## 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>NNDR:</p> <p>The Council should review the NNDR bad debt provision in 2013/14. For 2012/13 this was assessed at 4% aged debt (being a provision of £226k) however individual debts should be reviewed which could increase the provision and the amount of reclaim from DCLG by c£1m</p>	Medium	Agreed – we will review the NNDR bad debt provision during 2013/14	<p>31 March 2014</p> <p>Corporate Finance Manager</p>
2	<p>Housing Benefits:</p> <p>For non-HRA rent rebates, the Council should review the calculation of the split between amounts up to and above the Local Authority cap on temporary accommodation costs, since the Council is potentially under claiming subsidy in this area</p>	Medium	Agreed – we will aim to resolve this issue with Northgate prior to the 2013/14 subsidy claim being submitted (by 30 <sup>th</sup> April 2014).	<p>30 April 2014</p> <p>Assistant Benefits Manager</p>

# Appendix C: Fees

Claim or return	2011/12 fee (£)	2012/13 indicative fee (£) *	2012/13 actual fee (£)	Variance between 2012/13 actual and indicative fee (£)	Explanation for significant variances from indicative fee
Housing benefits subsidy claim	51,257	36,930	36,930	0	
Teachers' Pension return	2,297	1,230	1,230	0	
A34 bypass transport grant	595	1,390	1,390	0	
National non-domestic rates return	3,228	2,050	2,050	0	
<b>Total</b>	<b>57,377</b>	<b>41,600</b>	<b>41,600</b>	<b>0</b>	

\* 2012/13 indicative fee is 2010/11 fee less 40% reduction



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