

Grant Thornton Certification Work Report 2011/12

SUMMARY

- 1.1 The Council's external auditors, Grant Thornton, are required to certify specific government claims and returns submitted by the Council on an annual basis. For 2011/12 Grant Thornton certified five claims relating to grant income over £190 million. The detailed report from Grant Thornton is included as Appendix 2 to this report.
- 1.2 There have been two audit qualifications. One related to the accuracy of information, and showed significant improvement over prior years. The other related to a lack of supporting documentation being retained by the compiling department. Further details are included in paragraphs 4.3 and 4.4 below.
- 1.3 A number of other issues were also identified by Grant Thornton as part of their certification work. These are discussed in further detail in Section 4 below.

RECOMMENDATION

- 2.1 To note the Grant Thornton Certification Work Report 2011/12 included at Appendix 2.
- 2.2 To note the issues identified by Grant Thornton and the Council's responses to these, detailed in Section 4 below.

REASONS FOR RECOMMENDATION

- 3.1 As Derby City Council's external auditors, Grant Thornton UK LLP undertakes certification work at the Derby City Council (the Council), acting as an agent of the Audit Commission.

SUPPORTING INFORMATION

- 4.1 Various grant-paying bodies require external certification of claims for grant or subsidy and returns of financial information and the Audit Commission makes certification arrangements with grant-paying bodies. The report at Appendix 2 sets out the results of the certification work undertaken by Grant Thornton for the 2011/12 financial year.
- 4.2 For the 2011/12 period, two draft claims were not provided to Grant Thornton in line with required deadlines, although these were signed on time by the Council. A schedule of auditable claims will be established by the Council and delivery against submission deadlines closely monitored going forwards. Claim compilers will also be reminded of the requirement to include Grant Thornton when submitting their claim or return to the grant paying body.
- 4.3 The £101m Housing and Council Tax Benefit Subsidy claim was qualified due to a financial difference of £805 being identified as part of the audit testing. Despite this qualification, the Council continues to demonstrate clear improvements in the quality of its benefit assessments, and reduce the number of errors which arise during its benefit process. Opportunities for further training are also being considered.
- 4.4 The National Non-Domestic Rates – NNDR – return was qualified due to paperwork to demonstrate signed approval for write-offs being unavailable at the time of audit. Relevant officers have been reminded of the need to retain all write-off approvals.
- 4.5 Four of the claims required amendment for a variety of reasons, although two of these amendments were non-financial in nature. These amendments included a change to the Teachers’ Pensions return to reflect Woodlands school moving to Academy status during the claim period. Improvements to the information sharing process between finance teams have already been implemented to ensure all relevant officers are notified when schools move to Academy status.
- 4.6 The HRA Subsidy claim was also amended to reflect the removal of PFI interest from the draft claim figures.

OTHER OPTIONS CONSIDERED

- 5.1 Not applicable

This report has been approved by the following officers:

Legal officer Financial officer Human Resources officer Estates/Property officer Service Director(s) Other(s)	Martyn Marples, Director of Finance and Procurement
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For more information contact:	Chloe Kenny, Head of Corporate Finance Tel: 01332 643369 Email: chloe.kenny@derby.gov.uk
Background papers: List of appendices:	Not applicable Appendix 1 – Implications Appendix 2 – Grant Thornton DCC Certification Work Report 2011/12

IMPLICATIONS

Financial and Value for Money

1.1 As described in the report

Legal

2.1 None directly arising

Personnel

3.1 None directly arising

Equalities Impact

4.1 None directly arising

Health and Safety

5.1 None directly arising

Environmental Sustainability

6.1 None directly arising

Property and Asset Management

7.1 None directly arising

Risk Management

8.1 None directly arising

Corporate objectives and priorities for change

9.1 None directly arising