



Certification report 2012/13 for Trafford Council

Year ended 31 March 2013

3 February 2014

Mick Waite

Director

T 0161 234 6347

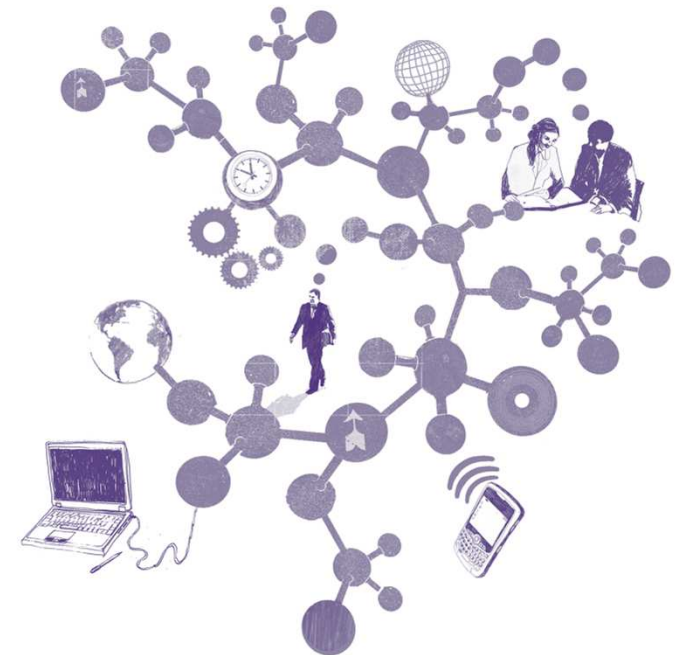
E mick.j.waite@uk.gt.com

Helen Stevenson

Audit Manager

T 0161 912 4624

E helen.l.stevenson.gt.com



Contents

Section	Page
1. Executive summary	3
2. Results of our certification work	6

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 Trafford 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 £235 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 three claims were submitted to us on time and were certified by us within the required deadlines.	●
Accuracy of claim forms submitted to the auditor (including amendments & qualifications)	Overall the Council is performing well. No amendments were required to the claims. Qualification letters were required for the Teachers' Pension Return and the Housing and Council Tax Benefit Scheme . These letters are considered further in section two of this report.	●
Supporting working papers	The supporting working papers were sufficient to enable certification within the deadlines.	●

The way forward

We have made a two recommendations to address the findings arising from our certification work at Appendix B.

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 £235 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%	3	100	3	100	↔
Claims certified on time	100%	3	100	2	67	↑
Claims certified with amendment	0%	0	0	1	33	↑
Claims certified with qualification	0%	2	67	1	33	↓

This analysis of performance shows that:

- all claims were certified before audit deadlines
- no amendments were required to the claims
- two claims were certified with Qualification letters

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

Audit findings

Our work has identified issues in relation to the Teachers' Pension Return and the Housing and Council Tax Benefit Scheme.

We issued a qualification letter to Teachers' Pensions reporting that we had selected a sample of ten teachers and found that contributory salary for one teacher had been included in the wrong contributions tier. This resulted in a minor overstatement of employee contributions for this teacher.

We issued a qualification letter to the DWP reporting on a number of issues. These related mainly to the misclassification of overpayments. Similar findings have been included in qualification letters for the last few years and are fairly common reporting issues for this type of claim.

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 fee billed for the Council for 2012/13 is £20,052. This is set out in more detail in Appendix C.

Appendices

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

Claim or return	Value (£)	Amended?	Amendment (£)	Qualified?	Comment
Housing and Council Tax Benefit Scheme	78,874,024	No	0	Yes	We issued a qualification letter to the DWP reporting on a number of issues. These related mainly to the misclassification of overpayments.
National Non-Domestic Rates Return	145,417,212	No	0	No	
Teachers' Pension Return	11,003,702	No	0	Yes	We issued a qualification letter to Teachers' Pensions reporting that we had selected a sample of ten teachers and found that contributory salary for one teacher had been included in the wrong contributions tier.

Appendix B: Action plan

Priority

High - Significant effect on arrangements

Medium – Some effect on arrangements

Low - Best practice

Rec No.	Claim	Recommendation	Priority	Management response	Implementation date & responsibility
1	Teachers' Pension Return	The Council should review procedures to ensure that all teachers are included in the correct tier for 2013/14.	Medium	<p>The findings relate to a complicated situation of a Teacher on maternity leave whose actual pay in year reduced such that they should have been categorised on a different pension contribution tier. This resulted in the Council making a small additional pension contribution.</p> <p>Due to the unique set of circumstances involved in this case it is anticipated that a reoccurrence of this particular scenario would be unlikely, however, a new check has been implemented to identify if this or something similar occurs again so that immediate corrective action can be taken.</p>	<p>Head of Shared Service Centre.</p> <p>Implemented.</p>
2	Housing and Council Tax Benefit Scheme	The Council should examine its procedures for classifying overpayments for subsidy purposes to ensure these minimise the risk of errors.	Medium	The Council is currently undergoing a review of its procedures in relation to the classification of overpayments for subsidy purposes. The Benefits Service has already recently introduced a more in depth quality control process for all staff to ensure that a sample of work is monitored. Any errors identified are recorded and used to request amendments to procedural guidance and, where appropriate, form future training programmes.	<p>Head of Revenues & Benefits</p> <p>Implemented and further ongoing work.</p>

Appendix C: Fees

Claim or return	2011/12 fee (£) *	2012/13 indicative fee (£)	2012/13 actual fee (£)	Variance year on year (£)	Explanation for significant variances
Housing benefits subsidy claim	25,169	17,420	17,420	(7,749)	Fee for 2012/13 pre-set by Audit Commission.
National non-domestic rates return	2,106	2,580	1,132	(974)	Fee for 2012/13 pre-set by Audit Commission (less reduction for less work required) .
Teachers' Pension Return	3,508	1,500	1,500	(2,008)	Fee for 2012/13 pre-set by Audit Commission
Total	30,783	21,500	20,052	(10,731)	

* 2011/12 fee less 40% fee reduction applicable for 2012/13 onwards. This is shown in this way to make it comparable to the 2012/13 fee.



© 2013 Grant Thornton UK LLP. All rights reserved.

'Grant Thornton' means Grant Thornton UK LLP, a limited liability partnership.

Grant Thornton is a member firm of Grant Thornton International Ltd (Grant Thornton International). References to 'Grant Thornton' are to the brand under which the Grant Thornton member firms operate and refer to one or more member firms, as the context requires. Grant Thornton International and the member firms are not a worldwide partnership. Services are delivered independently by member firms, which are not responsible for the services or activities of one another. Grant Thornton International does not provide services to clients.

grant-thornton.co.uk