



PUBLIC SECTOR

Certification of grants and returns 2009/10

Telford and Wrekin Council

February 2011

AUDIT

Contents

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Headlines

<p>Introduction & background</p>	<ul style="list-style-type: none"> • This report summarises the results of work on the certification of Telford and Wrekin Council's ('the Authority's') 2009/10 grant claims and returns, and also seven claims for 2007/08 and 2008/09 which were submitted to us since our previous report dated February 2010. • For 2009/10 we certified 13 claims and returns with a combined value of £151 million. 	<p>-</p>
<p>Certification results</p>	<ul style="list-style-type: none"> • We qualified one claim. Our work on the Housing and Council Tax Benefit subsidy claim identified two claims (one Housing Benefit and one Council Tax Benefit) where the Authority had underpaid benefit to the claimants. We were obliged to qualify the claim on this basis since the grant paying body does not allow amendments to the claim for errors such as these. We also identified other errors which the Authority amended the claim for. These resulted in both reductions and increases in subsidy but with a net increase in subsidy receivable of £7. • The Authority submitted seven claims for Single Programme grant from Advantage West Midlands relating to the 2007/08 and 2008/09 years to us in March 2010. Our work on the Authority's Single Programme claim relating to the Land Stabilisation at the Ironbridge World Heritage Site for 2008/09 identified that it had underclaimed by £59,513, as the officer preparing the claim misunderstood instructions from AWM. • Minor amendments were required to four others claims, none of which had an effect on the amount claimed. 	<p>Pages 3 – 4</p>
<p>Fees</p>	<ul style="list-style-type: none"> • Our overall fee for the certification of grants and returns is £58,395. This compares with our original estimate of £30,000. • Our fee exceeded our estimate as we were asked to certify an additional eight claims which we were not aware of at the time of making our estimate, and because we undertook additional work for the Housing and Council Tax Benefit subsidy claim as a result of errors we identified in testing. 	<p>Page 5</p>

Summary of certification work outcomes

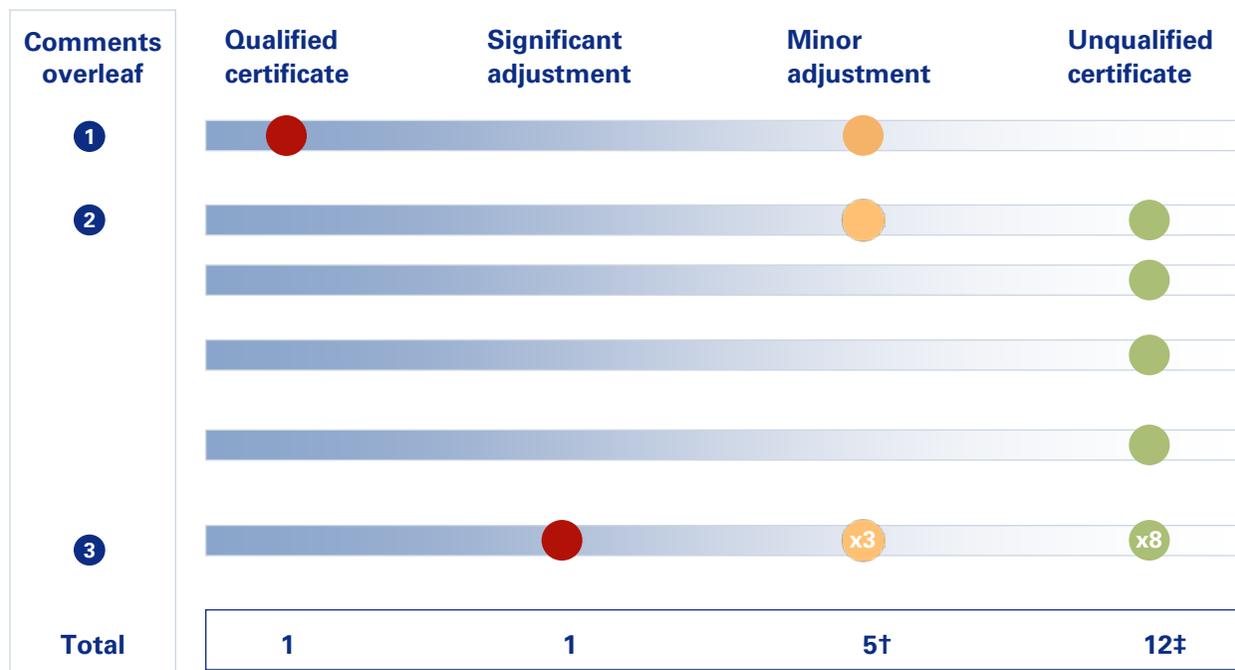
Overall, we certified 13 grants and returns

- Seven were unqualified with no amendment
- Five were unqualified but required some amendment to the final figures
- One required a qualification to our audit certificate

Detailed comments are provided overleaf

Detailed below is a summary of the key outcomes from our certification work on the Council’s 2009/10 grants and returns, showing where either audit amendments were made as a result of our work or where we had to qualify our audit certificate.

A qualification means that issues were identified concerning the Council’s compliance with a scheme’s requirements that could not be resolved through adjustment. In these circumstances, it is likely that the relevant grant paying body will require further information from the Council to satisfy itself that the full amounts of grant claimed are appropriate.



† - Of eight AWM Single Programme Grants certified, three required minor adjustment
 ‡ - This figure includes eight unqualified AWM Single Programme certificates

Summary of certification work outcomes

This table summarises the key issues behind each of the adjustments or qualifications that were identified on the previous page

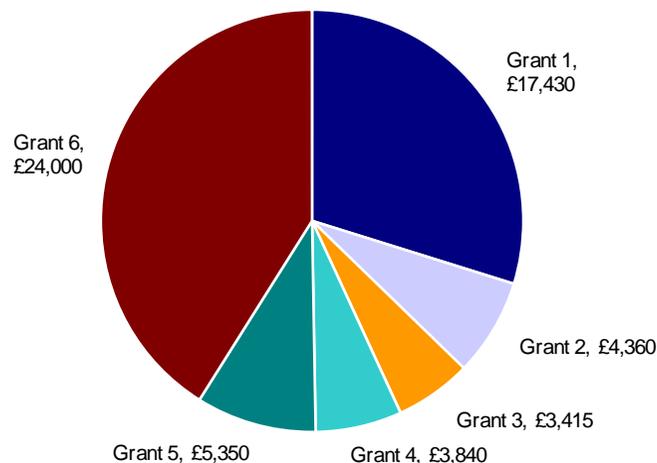
Ref	Summary observations	Amendment
1	<p>Housing and Council Tax Benefit subsidy claim</p> <ul style="list-style-type: none"> Our initial sample of 60 claims identified several small errors in calculation of benefit entitlement, both underpayments and overpayments. In accordance with the certification guidance, we asked the Authority to undertake further testing of cases, of which we checked a sample to confirm agreement of the Authority's findings. In total 140 cases were tested. Following this additional testing, we were able to agree amendments to cells in respect of errors where the Authority had overpaid benefit. Subsidy is paid at different rates depending on the reason for the overpayment; due to the nature of the errors identified they resulted in both reductions and increases in subsidy but with a net increase in subsidy receivable of £7 The certification methodology does not allow amendments for errors resulting in underpayment, since subsidy cannot be claimed for benefit that has not been paid. Therefore, for cases where we identified underpayments, we were obliged to issue a qualification letter. 	+£7
2	<p>Teachers' Pensions Contributions</p> <ul style="list-style-type: none"> The Authority made minor errors in how contributions deducted and paid were recorded in the return. Adjustment did not result in amendment to the total amount payable. 	-
3	<p>Advantage West Midlands – Single Programme grants</p> <ul style="list-style-type: none"> The Authority submitted eight claims for Single Programme funding from Advantage West Midlands to us for certification. Three of these related to the financial year 2007/08 and four for the year 2008/09. The Authority submitted these late as it did not realise that the grant paying body required external certification. The claim for the Land Stabilisation in the Ironbridge World Heritage Site for 2008/09 underclaimed by £59,513. The officer preparing the claim had not correctly understood an instruction from AWM which increased the amount of grant they were willing to pay in 2008/09, believing that it meant a claim would be made in 2009/10. Claims for Wellington Market Towns Initiative (2008/09), Rural Access to Services Partnership (2008/09) and Donnington Railfreight (2009/10) required minor amendment which did not result in amendment to amount claimed. 	+£59,513

Fees

Our overall fee for the certification of grants and returns is greater than our original estimate.

We were required to certify an additional 8 claims which we were unaware of at the time of our estimate.

Breakdown of certification fees 2009/10



Breakdown of fee by grant / return	2009/10 (£)	2008/09 (£)
Housing and Council Tax Benefit system	17,430	13,630
Teachers' Pension Contributions	4,360	3,165
Disabled Facilities Grant	3,415	3,355
Sure Start, Early Years and Childcare Grant	3,840	3,405
National Non-Domestic Rates Return	5,350	4,110
Single Programme – 8 grants	24,000	-
Total fee	58,395	27,665

Our initial estimated fees for certifying 2009/10 grants and returns was £30,000. The actual fee charged was higher than that estimate. The main reasons for the fee exceeding the original estimate were:

- We certified eight Single Programme grants which we were not aware of at the time of our estimate; and
- Additional work was required for the Housing and Council Tax Benefit claim as a result of errors identified in testing.

Our estimate for certification of claims and returns for 2010/11 is £35,000.