

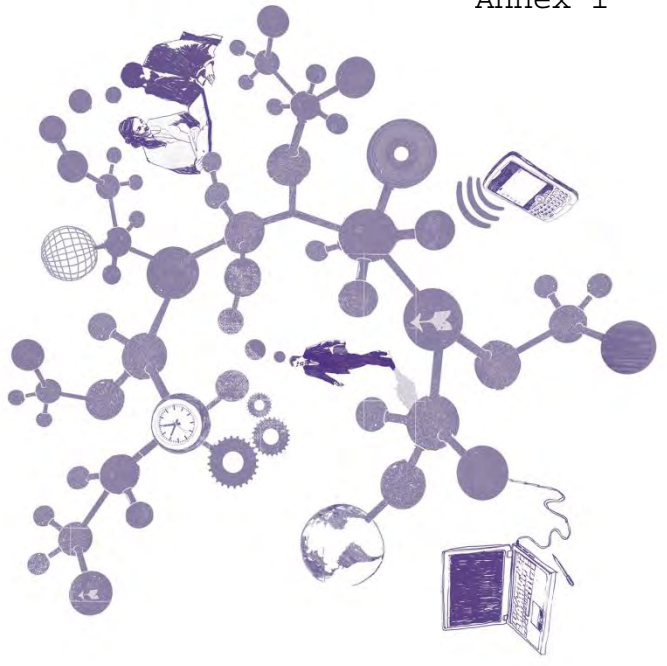


# Certification report 2012/13 for Tonbridge & Malling Borough Council

**Year ended 31 March 2013**  
January 2014

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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 Tonbridge & Malling Borough 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 two claims and returns for the financial year 2012/13 relating to expenditure of £93.3 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 for each 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.

Aspect of certification arrangements	Key Messages
<b>Submission &amp; certification</b>	All draft and final audited claims and returns were submitted within the required government department deadlines.
<b>Accuracy of claim forms submitted to the auditor (including amendments &amp; qualifications)</b>	<b>NNDR 3 return</b> No amendment was required to the NNDR 3 return.  <b>Housing and council tax benefit subsidy claim</b> A number of errors identified from audit testing and extrapolations of the potential impact on subsidy were reported to the Department of Work and Pensions (DWP) by a qualification letter.
<b>Supporting working papers</b>	<b>NNDR 3 return</b> Clear working paper trails were provided to support the return.  <b>Housing and council tax benefit subsidy claim</b> Clear working papers were provided to support the draft claim. Additional working papers were provided to support detailed audit testing.

## **Certification fees**

The Audit Commission sets an indicative scale fee for certification work at each audited body. In 2012/13 the indicative scale fee for the Council was £22,000. Additional work has been required on both the housing benefit subsidy claim and the NNDR return, as set out in more detail at Appendix B. We are proposing a final fee of £27,180. The fee increase has been agreed with officers, but before finalising the fee we are awaiting comments from the Audit Commission, who are required to approve variations to scale fees.

## **The way forward**

We set out recommendations arising from our certification work at Appendix C.

## **Acknowledgements**

We would like to take this opportunity to thank the Council's officers for their assistance and co-operation with our 2012/13 certification work.

**Grant Thornton UK LLP**  
January 2014

# Appendices

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

Claim or return	Value	Amended?	Qualified?	Comments
Housing and council tax benefit subsidy scheme	£ 41,132,952	No	Yes	<p>The Audit Commission certification framework requires sample testing of benefit claims to confirm benefit has been awarded in accordance with regulations and correctly recorded for subsidy purposes. Where errors are identified from certification testing then testing on further claims is performed for the issue giving rise to the error. We also consider the implications for other cells on the claim form, including for other benefit types. The overall impact on subsidy is extrapolated and reported to DWP using a qualification letter.</p> <p>Our sample testing of benefit claims in 2012/13 identified a number of errors as follows;</p> <p><b>Rent rebates</b></p> <p>On 27 claims expenditure relating to self-contained licensed accommodation had been wrongly classified as relating to non-self contained accommodation. In all cases the impact was to underclaim subsidy. Officers estimate that the total amount of subsidy underclaimed in 2012/13 was £7,775. Officers propose to action adjustments on the 2013/14 subsidy claim.</p> <p><b>Rent allowances</b></p> <p>Testing identified a number of errors due to</p> <ul style="list-style-type: none"> <li>• earnings being incorrectly applied following an extended payment period</li> <li>• state retirement pension being incorrectly updated</li> </ul> <p>The impact extrapolated for subsidy purposes was to move £8086 from cells on the claim form paying 100% subsidy into cells paying 40% subsidy (£2,366) and nil % subsidy (£5,720).</p> <p><b>Council tax benefit</b></p> <p>Testing identified a number of errors due to</p> <ul style="list-style-type: none"> <li>• earnings being incorrectly applied following an extended payment period</li> <li>• state retirement pension being incorrectly updated</li> <li>• non-dependent deductions being incorrectly calculated</li> </ul> <p>The net impact extrapolated for subsidy purposes was to move £7,436 from cells on the claim form paying 100% subsidy and £42 from a cell paying 40% subsidy into a cell paying nil % subsidy.</p>

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

Claim or return	Value	Amended?	Qualified?	Comments
Housing and council tax benefit subsidy scheme	£			<p><b>Adjustments due to the non-award of single person discount</b></p> <p>In early 2012 officers identified that the Council had potentially over-claimed subsidy in previous years in respect of council tax benefit due to the non-award of single person discount. In March 2012 the Council completed a preliminary review of the relevant cases. An estimated adjustment was included in the 2011/12 subsidy claim.</p> <p>In 2012/13 the Council performed further work in a number of areas. It has now completed its review of all cases where an adjustment was required. All amendments to estimated figures were actioned in the 2012/13 claim year.</p> <p>We performed sample testing of the adjustments actioned in 2012/13. We concluded that</p> <ul style="list-style-type: none"> <li>the adjustments agreed to supporting evidence and had been correctly calculated</li> <li>the Council had made the necessary adjustments to avoid double counting with the estimate included in the 2011/12 claim.</li> </ul>
NNDR 3 return	52,203,817	No	No	



# Appendix B: Fees

Claim or return	2012/13 indicative fee	2012/13 proposed fee	Variance	Explanation for significant variances
	£	£	£	
Housing benefits subsidy claim	21,120	24,540	3,420	Additional work was required to review the adjustments processed by the Council for the non award of single person discount in previous years.
National non-domestic rates return	880	2,640	1,760	The Audit Commission certification framework requires auditors to complete more detailed testing on the NNDR return at least once every three years. This more detailed testing was performed at the Council in 2012/13. The indicative scale fee is based on the limited work programme performed in other years.
<b>Total</b>	<b>22,000</b>	<b>27,180</b>	<b>5,180</b>	

# Appendix C: 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
	<b>Housing and council tax benefit subsidy scheme</b>			
<b>1</b>	Officers should consider the nature of the errors identified from certification testing and identify any trainings, supervisory or systems issues which might help reduce errors in future years.	Medium	The nature of the errors will be assessed and appropriate training, amendments to procedures and changes to systems will be made.	Assessment to take place by 31/3/14 Principal Benefit Officer
<b>2</b>	Benefit records for individual claimants should be amended in the current year for all errors identified from 2012/13 certification testing.	Medium	Agreed.	Amendments to be made by 31/3/14 Principal Benefit Officer



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