

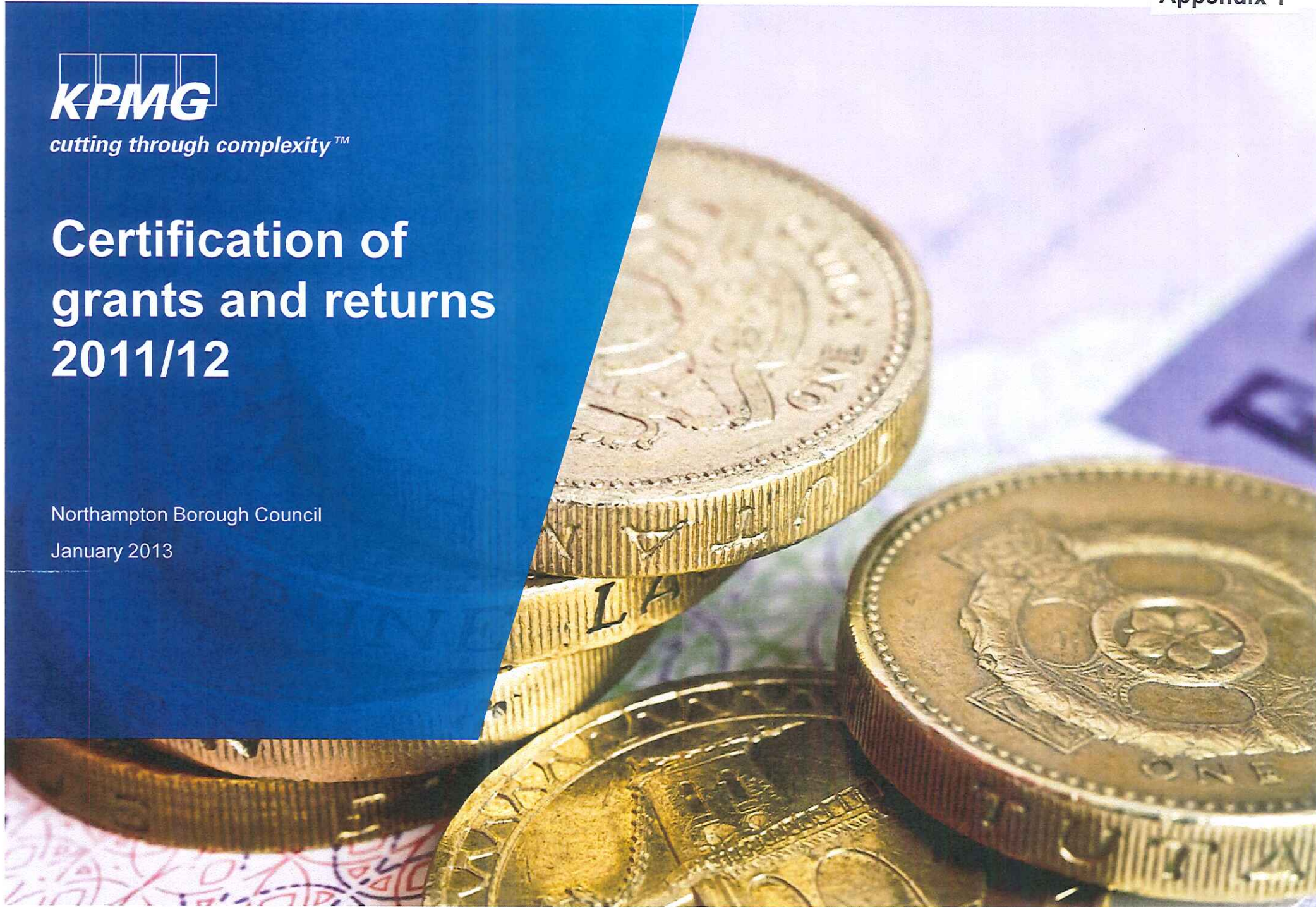


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Certification of grants and returns 2011/12

Northampton Borough Council

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External auditors do not act as a substitute for the audited body's own responsibility for putting in place proper arrangements to ensure that public business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively.

If you have any concerns or are dissatisfied with any part of KPMG's work, in the first instance you should contact Neil Bellamy, who is the engagement leader to the Authority (telephone 0116 2566082, e-mail neil.bellamy@kpmg.co.uk who will try to resolve your complaint. If you are dissatisfied with your response please contact Trevor Rees (telephone 0161 236 4000, e-mail trevor.rees@kpmg.co.uk) who is the national contact partner for all of KPMG's work with the Audit Commission. After this, if you are still dissatisfied with how your complaint has been handled you can access the Audit Commission's complaints procedure. Put your complaint in writing to the Complaints Unit, Westward House, Lime Kiln Close, Stoke Gifford, Bristol, BS34 8SR or by e mail to: complaints@audit-commission.gov.uk. Their telephone number is 0844 798 3131, textphone (minicom) 020 7630 0421.

Change of auditor appointment

The change in auditor appointment has not affected the completion of certification work.

The Audit Commission has outsourced all the work formerly undertaken by its internal Audit Practice. KPMG was appointed as your external auditor, for 2012/13 onwards, with effect from 1 September 2012. Under that appointment KPMG also became responsible for completing any aspects of pre 2012/13 audits, including delivery of this annual report on certification work.

All certification work was completed by the Audit Commission's Audit Practice before 31 October 2012 in accordance with certification instructions issued by the Audit Commission. We received a report from the Audit Commission's Audit Practice setting out the work they had completed and have incorporated their findings and any recommendations into this report.



Certification of grants and returns 2011/12 Headlines

Introduction and background	This report summarises the results of work on the certification of the Council's 2011/12 grant claims and returns. <ul style="list-style-type: none">■ For 2011/12 four claims and returns were certified with a total value of £191.3m.	-
Certification results	Unqualified certificates were issued for three grants and returns but a qualification was necessary in one case. <ul style="list-style-type: none">■ A minor technical qualification was necessary because testing of the Housing & Council Tax Benefit claim identified three processing errors in respect of earned income. However, all cases resulted in an underpayment of benefit and therefore had no effect on the amount claimed.■ No qualifications were necessary last year.	Pages 4 - 5
Audit adjustments	No adjustments were necessary to any of the Council's grants and returns as a result of this year's certification work. <ul style="list-style-type: none">■ This is an improvement on last year when two claims were subject to amendment.	Pages 4 - 5
The Council's arrangements	The Council has good arrangements for preparing its grants and returns. <ul style="list-style-type: none">■ All grants and returns were submitted on a timely basis and supported by comprehensive and good quality working papers.■ The collaborative approach to testing the Housing and Council Tax Benefit claim continues to work well.	
Fees	The overall fee for the certification of grants and returns has been contained within the original estimate of £32,000. <ul style="list-style-type: none">■ The overall fee has reduced compared to last year as a result of a reduction in the number of claims and returns requiring audit certification	Page 6



Certification of grants and returns 2011/12

Summary of certification work outcomes

Overall, we certified four grants and returns:

- three were unqualified with no amendment; and
- one required a qualification but no amendment.

Detailed comments are provided overleaf.

Detailed below is a summary of the key outcomes from certification work on the Council's 2011/12 grants and returns, showing where either audit amendments were made as a result of the work or where the audit certificate was qualified.

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 possible 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.

	Comments overleaf	Qualified certificate	Significant adjustment	Minor adjustment	Unqualified certificate
Housing & Council Tax Benefit	1				
Housing capital receipts					
HRA Subsidy					
National non-domestic rates					
		1	0	0	3



Certification of grants and returns 2011/12

Summary of certification work outcomes

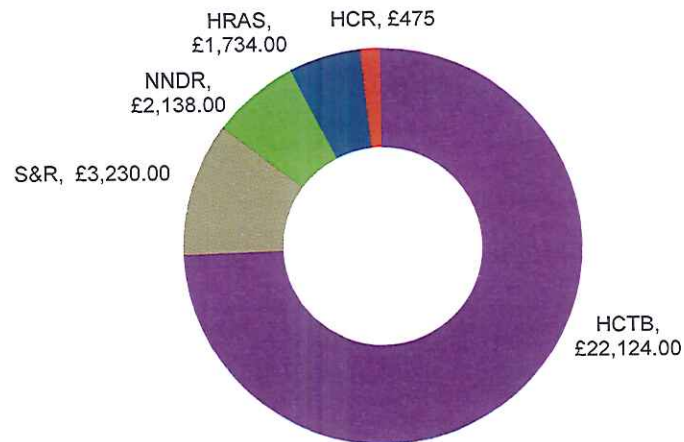
This table summarises the key issues behind each of the adjustments or qualifications that were identified on the previous page.

Ref	Summary observations	Amendment
1	Housing & Council Tax Benefit – minor technical qualification <ul style="list-style-type: none">Testing of the claim identified three processing errors in respect of earned income. However, all cases resulted in an underpayment of benefit . DWP only requires amendment where benefit has been overpaid but certification instructions require the errors to be reported in a qualification letter.	Nil

Certification of grants and returns 2011/12 Fees

The overall fee for the certification of grants and returns has been contained within the original estimate.

Breakdown of certification fees 2011/12



Breakdown of fee by grant/return

	2011/12 (£)	2010/11 (£)
Housing & Council Tax Benefit (HCTB) – billed by the Audit Commission	22,124	20,467
National Non-domestic Rates (NNDR) – billed by the Audit Commission	2,138	2,210
Housing Revenue Account Subsidy (HRAS) – billed by the Audit Commission	1,734	2,432
Housing Capital Receipts (HCR) – billed by the Audit Commission	475	487
Other claims no longer certified	0	2,506
Supervision & Reporting (S&R) – billed by the Audit Commission	2,430	4,375
Supervision & Reporting (S&R) – billed by KPMG	800	0
Total fee	29,701	32,477

The initial estimated fees for certifying 2011/12 grants and returns was £32,000. The actual fee charged was lower than the estimate.



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