



Certification report 2012/13 for Council of the Isles of Scilly

Year ended 31 March 2013

November 2013

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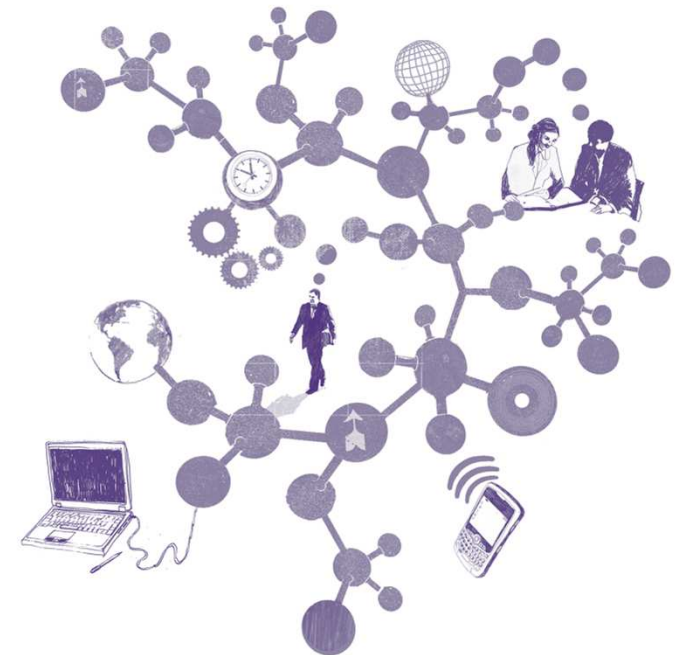
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Section 1: Executive summary

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 the Council of the Isles of Scilly ('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 £1.89million.

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.

Our approach to certification work, the roles and responsibilities of the various parties involved and the scope of the work we perform were set out in our Certification Plan issued to the Council in July 2013.

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/returns were submitted and certified by the required deadlines. Due to special circumstances the certification deadline in respect of the National non-domestic rates return was extended by two weeks. | ● |
| Accuracy of claim forms submitted to the auditor (including amendments & qualifications) | Two out of the three claims/returns audited required amending prior to certification. Full details can be found in Appendix A. | ● |
| Supporting working papers | Working papers were in place to support the entries on the claims/returns and requests for additional information were dealt with promptly. | ● |

The way forward

We set out recommendations to address the key messages above and other findings arising from our certification work at Appendix B.

Implementation of the agreed recommendations will assist the Council in compiling accurate and timely claims for certification. This will reduce the risk of penalties for late submission, potential repayment of grant and additional fees.

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
November 2013

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 £1.89million.

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 | 3 | 100 | ↔ |
| Claims certified with amendment | 100% | 2 | 66.67 | 2 | 66.67 | ↔ |
| Claims certified with qualification | 100% | 0 | 0 | 1 | 33.33 | ↓ |

This analysis of performance shows that:

- as per the previous year all claims/returns were submitted and certified by the required deadlines;
- two claims/returns required amending, which is consistent with the previous year; and
- no claims/returns were qualified which is an improvement on the previous year.

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

Significant findings

Our work has not identified any significant issues in relation to the management arrangements and certification of individual grant claims and returns. The amendments required to two of the claims/returns were minor in value (see Appendix A).

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 indicative scale fee for the Council for 2012/13 was £11,750 and we are not proposing any variation to this fee.

Appendices

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

| Claim or return | Value | Amended? | Amendment | Qualified? | Comments |
|--|---------------|----------|------------|------------|---|
| Housing and council tax benefit scheme | £351,313 | Yes | £404.00 | No | Two errors identified in total relating to the overstatement and netting off of overpayment of rent allowance and council tax benefits. |
| National non-domestic rates return | £1,297,661.80 | Yes | £45,314.14 | No | Losses on collection had been incorrectly calculated. This amendment reduced the Council's contribution to the pool. |
| Teachers' pensions return | £241,129.83 | No | Nil | No | None |

Appendix B: 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 | 6,636 | 6,780 | 6,780 | 144 (+2%) | |
| National non-domestic rates return | 2,709 | 4,150 | 4,150 | 1,441 (+53%) | PART A testing only undertaken in 2011/12. PART A and B testing undertaken in 2012/13 and the claim was qualified. |
| Teachers' pensions return | 438 | 820 | 820 | 382 (+87%) | The introduction of the tiered pension scheme made this return more complex. |
| Reporting to those charged with Governance | 284 | n/a | n/a | n/a | Reporting time has been incorporated within fee charged for each claim. |
| Total | 10,067 | 11,750 | 11,750 | 1,683 | |

* 2011/12 actual fee less 40% fee reduction to make it comparable to the 2012/13 fee.

** 2012/13 indicative fee is based on the 2010/11 fee reduced by 40%.



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