



Grant Thornton

An instinct for growth™

Jayne Pickering
Bromsgrove District Council
Council House
Burcott lane
| Bromsgrove

22 January 2014

Grant Thornton UK LLP
The Canterbury Business Centre
18 Ashchurch Road
Tewkesbury
GL20 8BT

Dear Jayne

T +44 (0)121 212 4000

Certification work for Bromsgrove District Council for year ended 31 March 2013

We are required to certify certain of the claims and returns submitted by Bromsgrove District 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.

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.

We have certified two claims and returns for the financial year 2012/13 relating to expenditure of £45.8 million. Further details of the claims certified are set out in Appendix A.

There are no significant issues arising from our certification work which we wish to highlight for your attention. We are satisfied that the Council has appropriate arrangements to compile complete, accurate and timely claims/returns for audit certification and we are satisfied that any recommendations raised in previous years have been addressed. The continued use of a contractor to undertake the housing benefits testing worked well and this was completed in line with the timetable agreed. There were a number of errors identified in the housing benefits testing that required 40+ testing for several cells. It is important that officers review the errors to determine whether there are lessons to be learned that should be reflected in training and procedures operated in the department.

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 is £13,300. This is set out in more detail in Appendix B. The indicative fee for 2013/14 will be £4,400- it is assumed that there is no NNDR3 claim next year which is reflected in this stated fee. The fee may need to be reviewed if for instance we are not well supported by the contractor or if the level of fails is as high as was experienced this year on the benefits claim.

The time taken on the NNDR3 claim was less than expected as we were able to rely on the control environment, thus enabling us to reduce the amount of testing. This has been reflected in a downward fee variation, agreed with the Audit Commission.

Yours sincerely

Zoe Thomas
For Grant Thornton UK LLP

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

| Claim or return | Value | Amended? | Amendment (£) | Qualified? | Comments |
|------------------------------------|---------------|-----------------|----------------------|-------------------|---|
| Housing benefits subsidy claim | 20,335,578 | Yes | 20,336,538 | Yes | There were 8 cells for which 40+ testing was required. The value of the errors were extrapolated and reported to the DWP in line with the Audit Commission certification instructions. The total extrapolated value of amendments is less than £20,000 and therefore is small relative to the total value of the claim. |
| National non-domestic rates return | 25,479,365.02 | No | N/A | No | This claim is not required for 2013/14 |

Appendix B: Fees for 2012/13 certification work

| Claim or return | 2010/11 | 2011/12 fee (£) | 2012/13 indicative fee (£) | 2012/13 actual fee (£) | Variance (£) | Explanation for variances |
|------------------------------------|---------|-----------------|----------------------------|------------------------|--------------|--|
| Housing benefits subsidy claim | 14,650 | 6,504 | 11,430 | 11,430 | 0 | The indicative fee for 2012/13 is based on 2010/11 audit costs. The 2011/12 fee reflects the fact that there were few fails and most of the work was undertaken by a contractor. In 2012/13 some additional work was required relative to 2011/12 – due to the number of fails and thus we have kept the actual fee at the indicative level. |
| National non-domestic rates return | 3,102 | 1,659 | 1,870 | 1306 | (564) | We only had to undertake Part A testing this year reducing the time spent on the claim. |
| reporting | 0 | 685 | | | | |
| Total | 18,434 | 8,163 | 13,300 | 12,736 | (564) | |