

**BRISTOL CITY COUNCIL
AUDIT COMMITTEE**

16 JANUARY 2015

Report of: Service Director (Finance)

Title: Grant Thornton - Grant Certification Letter 2013-14

Ward: Citywide

Officer presenting report: Grant Thornton UK LLP

Contact telephone number:

RECOMMENDATION

The Audit Committee note, and comment as appropriate, on Grant Thornton's Grant Certification Letter for 2013/14.

Summary

Attached to this report is Grant Thornton's Grant Certification Letter for the year ended 31 March 2014.

The letter summarises the key issues arising from the work that Grant Thornton has carried out on Grant claims and returns at Bristol City Council during the 2013/14 under the Audit Commission's certification arrangements.

Policy

None affected by this report. The Audit Commission has statutory responsibility for inspection and assessment at the Council. Grant Thornton are the Council's appointed external auditors. In carrying out their audit and inspection duties they have to comply with the relevant statutory requirements. In particular these are the Audit Commission Act 1998 and the Code of Audit Practice with regard to audit, and the Local Government Act 1999 with regard to best value and inspection.

Consultation

Internal: Grant Thornton consulted with Senior Finance Officers before finalising the Grant Certification Letter.

External: None.

1 Introduction

- 1.1 Grant Thornton is required to certify claims and returns submitted by Bristol City Council to central government departments. This letter summarises the work undertaken, and the conclusions from the work.
- 1.2 They have discussed the report with the Service Manager - Corporate Finance.
- 1.3 Barrie Morris, the appointed auditor responsible for the City Council's audit will be attending the Committee, and will be pleased to answer Members' questions.

Other Options Considered

Not applicable.

Risk Assessment

Not as a result of this report.

Equalities Impact Assessment

There are no issues arising from this report.

Legal and Resource Implications

None arising from this report.

Appendices:

Appendix 1: Grant Thornton's Grant Certification Letter 2013/14.

LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985

Background Papers: None



Grant Thornton

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5 January 2014

Dear Peter

Certification work for Bristol City Council for year ended 31 March 2014

We are required to certify certain claims and returns submitted by Bristol City Council ('the Council') under the Audit Commission's grant certification regime. 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. Additional claims are certified for the Council outside of these arrangements, which are not covered as part of this letter.

Under the Audit Commission's regime, we have certified two claims and returns for the financial year 2013/14 relating to expenditure of £198.9 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. We are satisfied that any recommendations raised in previous years have been addressed and confirmed this through sample testing.

The indicative fee for 2013/14 for the Council is based on the final 2011/12 certification fees, reflecting the amount of work required by the auditor to certify the claims and returns in that year. Fees for schemes no longer requiring certification (such as the national non-domestic rates return) have been removed. The fees for certification of housing benefit subsidy claims have been reduced by 12 per cent, to reflect the removal of council tax benefit from the scheme. The indicative scale fee set by the Audit Commission for the Council for 2013/14 is £15,388.

Yours sincerely

Grant Thornton UK LLP

For Grant Thornton UK LLP

Chartered Accountants

Member firm within Grant Thornton International Ltd

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Appendix A - Details of claims and returns certified for 2013/14

Claim or return	Value	Amended?	Amendment (£)	Qualified?	Comments
Housing benefits subsidy claim (BEN01)	£191,037,528	Yes	£210	Yes	Errors identified from our work related to the incorrect calculation of earned income and incorrect application of DWP awarded benefits. This year, the Council was able to drill down to sub population data in quantifying the extrapolated error. This has greatly reduced the audit adjustments required to the return this year.
Pooling of Housing capital receipts (CFB06)	£7,900,226	No	N/A	No	No issues were identified as a result of our work.