



# Grant Thornton

Cheltenham Borough Council  
Municipal Offices  
Promenade  
Cheltenham  
GL50 PSA

15 December 2014

Dear Mark

## **Certification work for Cheltenham Borough Council for year ended 31 March 2014**

We are required to certify certain claims and returns submitted by Cheltenham 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.

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 2013/14 relating to expenditure of £34.609 million. Further details of the claims certified are set out in Appendix A.

A number of issues arose from our certification work which are set out in Appendix A. We are satisfied that these issues were either isolated or relatively minor in nature and that the Council has appropriate arrangements in place to compile complete, accurate and timely claims/returns for audit certification. We have made one recommendation arising from our work (see Appendix C).

The indicative certification 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 this year by 12 per cent, to reflect the removal of council tax benefit from the scheme. The final fee for 2013/14 of £11,780 is the same as the indicative scale fee set by the Audit Commission. This is set out in more detail in Appendix B.

Yours sincerely

For Grant Thornton UK LLP

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

Claim or return	Value (£)	Amended?	Amendment (£)	Qualified?	Comments
Housing benefits subsidy claim (BEN01)	32,696,746	No	N/A	Yes	The qualification letter referred to:  <ul style="list-style-type: none"> <li>- 5 cases of benefit underpayment totalling £548</li> <li>- 1 case of overpayment of benefit totalling £10</li> <li>- a national problem with the CIVICA software which will be subject to a fix in the current year</li> </ul>
Pooling of Housing capital receipts (CFB06)	1,912,311	Yes	180	No	Correction of understatement of disposal figure for quarter 3

**Appendix B: Fees for 2013/14 certification work**

<b>Claim or return</b>	<b>2012/13 fee (£)</b>	<b>2013/14 indicative fee (£)</b>	<b>2013/14 actual fee (£)</b>	<b>Variance (£)</b>	<b>Explanation for variances</b>
Housing benefits subsidy claim (BEN01)	13,660	11,148	11,148	Nil	
Pooling of Housing Capital receipts (CFB06)	1,442	632	632	Nil	
National non- domestic rates return (NNDR3)	1,200	N/A	N/A	N/A	No requirement to certify this return in 2013/14
<b>Total</b>	<b>16,302</b>	<b>11,780</b>	<b>11,780</b>	<b>Nil</b>	

**Appendix C - Recommendation arising from our 2013/14 certification work**

<b>Recommendation</b>	<b>Management response</b>
<p><b>Housing benefits subsidy claim</b></p> <p>To prevent underpayments of benefit for homeless cases (Non HRA Rent Rebate), benefits staff should ensure that the one room indicator on the CIVICA system is ticked where the claimant is accommodated in a single room.</p>	<p>Agreed - Staff who process the Homeless applications have been reminded about the one room indicator and the need to check the letters before posting. In addition someone will check every case, as the numbers are relatively small.</p>