

Our reference OX00612G

26 October 2012

Sue Scane
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Oxfordshire County Council
County Hall
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Dear Sue

Certification report for 2011/12

Introduction

Local authorities claim large sums of public money in grants and subsidies from government departments and other grant-paying bodies and must complete returns providing financial information to government departments.

My certification work provides assurance to government departments and grant-paying bodies that claims for grants and subsidies are made properly or that information in financial returns is reliable.

This report summarises the outcomes of my completed certification work on your 2011/12 claims and returns.

Under section 28 of the Audit Commission Act 1998, the Audit Commission may, at the request of authorities, make arrangements for certifying claims and returns because scheme terms and conditions include a certification requirement. Where the Audit Commission arranges certification it issues instructions setting out the work auditors must complete before giving their certificate. The work necessary varies according to the value of the claim or return and the requirements of the government department or grant-paying body. Broadly for claims and returns:

- Below £125,000 - I carry out no work.
- From £125,000 and £500,000 -I undertake limited tests to agree form entries to underlying records, but do not test the expenditure or data is eligible.

- Over £500,000 - I plan and perform my work following the certification instruction. I assess your control environment for preparing the claim or return and decide how much I can rely on your controls. Based on my assessment, I tailor my approach to agree form entries to underlying records and test the expenditure or data is eligible.

Where I agree it is necessary you can amend your claim or return. My certificate may also refer to a qualification letter where there is disagreement or uncertainty, or you do not comply with scheme terms and conditions.

I have completed my work for 2011/12.

Results of 2011/12 certification work

This section summarises the results of my 2011/12 certification work

In 2011/12 I did a limited review of one return and a detailed review of a second return.

I found no errors and did not need to issue a qualification letter on the limited review Teachers' Pension return. I found one error on the Employment-based initial teacher training (EBITT) claim and asked for one other figure to be amended as a more accurate value was later available.

You have carried out most of my recommendations from last year and the accounting arrangements for the EBITT claim have improved considerably. I have made two recommendations this year to support further improvement in this area. These are set out under the appropriate section below.

Teachers' superannuation return

Scope of work	Results
Value of return presented for certification	£35,762,468
Limited or full review	Limited
Amended	No
Qualification Letter	No
Fee – 2011/12	£1,161
– 2010/11	£1,730

The Department of Work and Pensions requires me to check the return for the teachers' pension scheme, which runs separately from the Local Government Pension Scheme. Councils must complete a return setting out what they have collected under the scheme and how much they need to pay over to the government.

My testing was easier to do this year and this reduced the time spent on the return and the certification fee. Working papers and responses to queries were accurate and prompt.

Employment-based initial teacher training

Scope of work	Results
Value of return presented for certification	£1,125,841
Limited or full review	Full review
Amended	Yes
Qualification Letter	Yes
Fee – 2011/12	£ 6,962
– 2010/11	£10,580

The Council arranges placements in schools for graduates and provides the necessary training for them to achieve qualified teacher status. This training is funded from EBITT grant from the Teaching Agency (previously Training and Development Agency for Schools (TDA)).

You improved the accounting arrangements for the claim considerably this year with only one error and working papers better supporting the claim. Responses to the reduced number of audit queries were accurate and prompt.

I found a payment of £4,500 within the claim that did not comply with terms and conditions. The nature of the payment was unusual. Confirmation of its appropriateness and eligibility ought to have been received prior to making the payment and including it in the claim.

I issued a qualification letter again this year. I commented that educational supplies and services expenditure was included in the claim on the basis of grant payments made by the partnership to schools. Though supported with some assurance from schools that this had been spent appropriately, I was not able to test this expenditure to actual invoices for supplies and services. The partnership manager had requested clarification from the Teaching Agency on their requirements in this area but had not received a clear response. I have therefore recommended that a clear response is pursued in 2012/13.

I set out my recommendations from 2010/11 below with comments on action.

Recommendation from 2010/11:

Progress:

Review the EBITT claim prior to submission for audit to ensure figures agree to supporting working papers and arithmetic is correct.	Implemented
Ensure that all supporting income and expenditure listings are provided with the EBITT claim.	Implemented

Recommendation from 2010/11:	Progress:
Focus on providing accurate and relevant responses to audit queries. If in doubt, seek clarification from the auditors/grant claim coordinator on the level of evidence required.	Implemented
Review EBITT claim terms and conditions to ensure that the claim has been completed in full accordance with the guidance. Seek written clarification from the grant paying body (TDA) in areas of doubt.	Partially Implemented – review was carried out before submission to audit. However I found a payment of £4,500 that was not in line with the claim terms and conditions. Clarification had been sought from the Teaching Agency but this cast further doubt on the eligibility of the payment for inclusion. This had not been addressed prior to payment or completion of the claim. The payment was removed from the claim.
Seek prior written approval for any EBITT expenditure that falls outside the TDA’s definition of eligible expenditure.	As above
Seek clarification from the TDA on whether it is sufficient to include EBITT grant monies paid over to schools rather than money spent by the schools on eligible goods and services.	Partially implemented. Clarification was sought from the Teaching Agency but not received.
Ensure that any amendments arising from the audit of the EBITT claim are correctly calculated and understood before presentation to audit.	Implemented
Ensure that TDA data agrees with that held by the partnership before seeking to rely on it when completing the EBITT claim. Seek explanations for any differences from the TDA prior to submission of the claim.	Implemented

I set out below my recommendations from the 2011/12 audit:

Recommendation from 2011/12:

Continue to seek clarification from the Teaching Agency on whether it is sufficient to include EBITT grant monies paid over to schools rather than money spent by the schools on educational goods and services.

Seek confirmation that unusual payments are appropriate and eligible before making the payment and including them in the claim.

These recommendations have been agreed by the Oxon- Bucks Partnership Manager for implementation in 2012/13.

Certification fees

I charged £18,110 in total for grant certification work in 2010/11 and £9,306 for 2011/12. The overall cost of certification has reduced because I am longer required to certify Surestart and the quality of the EBITT claim and working papers was much improved.

Claim or return	2010/11 fee £	2011/12 fee £
Teachers pensions return	1,730	1,161
Surestart	3,862	Certification no longer required
Employment based initial teacher training	10,580	6,962
Grant planning, supervision and review; and reporting	1,938	£1,183
Total	18,110	9,306

Yours sincerely

Maria Grindley
District Auditor