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Certification of grants and returns 2011/12

Nottinghamshire County Council

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in connection with this
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External auditors do not act as a substitute for the audited body's own responsibility for putting in place proper arrangements to ensure that public business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively.

If you have any concerns or are dissatisfied with any part of KPMG's work, in the first instance you should contact Neil Bellamy, who is the engagement leader to the Authority (telephone 0116 256 6063, e-mail neil.bellamy@kpmg.co.uk who will try to resolve your complaint. If you are dissatisfied with your response please contact Trevor Rees (telephone 0161 236 4000, e-mail trevor.rees@kpmg.co.uk) who is the national contact partner for all of KPMG's work with the Audit Commission. After this, if you are still dissatisfied with how your complaint has been handled you can access the Audit Commission's complaints procedure. Put your complaint in writing to the Complaints Unit, Westward House, Lime Kiln Close, Stoke Gifford, Bristol, BS34 8SR or by e mail to: complaints@audit-commission.gov.uk. Their telephone number is 0844 798 3131, textphone (minicom) 020 7630 0421.

Introduction and background	<p>This report summarises the results of work on the certification of the Council's 2011/12 grant claims and returns.</p> <ul style="list-style-type: none"> ■ For 2011/12 the Audit Commission's Audit Practice certified: <ul style="list-style-type: none"> – 1 grant with a total value of £1.6m; and – 1 return with a total value of £41.1m. 	-
Certification results	The Audit Practice issued unqualified certificates for all grants and returns.	Pages 3
Audit adjustments	<p>Adjustments were necessary to one of the Council's grants and returns as a result of the certification work this year.</p> <ul style="list-style-type: none"> ■ One claim had been completed incorrectly and needed to be adjusted by £1.4m. The one correction had no impact on the value of the grant due to the Council. 	Pages 4
The Council's arrangements	The Council has adequate arrangements for preparing its grants and returns and supporting the certification work .	Page 5
Fees	<p>The overall fee for the certification of grants and returns was higher than the original estimate.</p> <ul style="list-style-type: none"> ■ The total fees for the year were higher than the original estimate as a new claim was brought to the auditor's attention during the year. 	Page 5

Change of auditor appointment

The change in auditor appointment has not affected the completion of certification work.

The Audit Commission has outsourced all the work formerly undertaken by its internal Audit Practice. KPMG was appointed as your external auditor, for 2012/13 onwards, with effect from 1 September 2012. Under that appointment KPMG also became responsible for completing any aspects of pre 2012/13 audits, including delivery of this annual report on certification work.

We received a report from the Audit Commission's Audit Practice setting out the work they had completed on certifying claims and returns before 31 October 2012. We have incorporated their findings and any recommendations into this report.

Certification of grants and returns 2011/12

Summary of certification work outcomes



Overall, the Audit Practice certified 2 grants and returns:

- Both were unqualified but one required significant adjustment

Detailed comments are provided overleaf.

Detailed below is a summary of the key outcomes from the Audit Practice's certification work on the Council's 2011/12 grants and returns, showing where either audit amendments were made as a result of their work or where they had to qualify our audit certificate.

A qualification means that issues were identified concerning the Council's compliance with a scheme's requirements that could not be resolved through adjustment. In these circumstances, it is likely that the relevant grant paying body will require further information from the Council to satisfy itself that the full amounts of grant claimed are appropriate.

	Comments overleaf	Qualified certificate	Significant adjustment	Minor adjustment	Unqualified certificate
Teacher's Pension Return					
Local Transport Plan Major Projects					
		0	1	0	1

Certification of grants and returns 2011/12

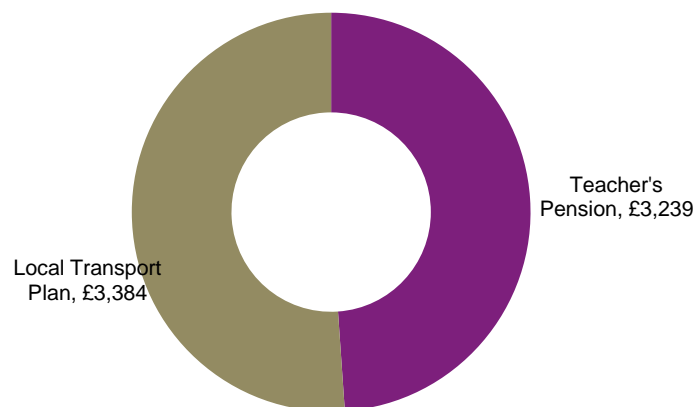
Summary of certification work outcomes

This table summarises the key issues behind the adjustments that was identified on the previous page.

Ref	Summary observations	Amendment
1	Local Transport Plan - Major Projects <ul style="list-style-type: none"> The draft claim had been filled in incorrectly. The amendment had no impact on the amount of grant due to the Council. 	- £1.4m

The overall fee for the certification of grants and returns was higher than the original estimate because a new claim needed to be certified.

Breakdown of certification fees 2011/12



Breakdown of fee by grant/return		
	2011/12 (£)	2010/11 (£)
Teacher's Pension return	3,239	3,100
Local transport Plan – Major Projects	3,384	0
Surestart, Early Years, etc – no auditor certification required in 2011/12	0	4,500
Supervision and reporting	703	*
Total fee	7,326	7,600

The initial estimated fees for certifying 2011/12 grants and returns was £4,000. The actual fee charged was higher than that estimate.

The main reason for the fee exceeding the original estimate was the need to certify the Local Transport Plan claim, which came to the auditor's attention after the original fee estimate was prepared.

This cost was apportioned across individual grants in previous years.

The fee charged by the Audit Commission for 2011/12 was £6,623. The fee charged by KPMG is £703.



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