

Report to: **Audit, Best Value and Community Services Scrutiny Committee**

Date: **12 March 2014**

By: **Chief Operating Officer**

Title of report: **Report on grant claim and returns certification for the year ended 31 March 2013**

Purpose of report: **To report to the Committee the external auditor's findings from grant certification work for the financial year 2012/13 in line with the requirements of the Audit Commission**

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**RECOMMENDATION:**

**The Committee is recommended to note the report.**

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**1. Financial Appraisal**

1.1 BDO certified 2 grants during the year at a cost of £6,658 to the Council, i.e. £4,458 for the Teachers' pensions return and £2,200 for the Local Transport Plan Major Projects certification.

**2. Supporting Information**

2.1 The Audit Commission requires all local authority external auditors to provide a summary report on grant claims that they have audited during the year, to those charged with governance, by 31 March. The report from the County Council's external auditors BDO covers grants relating to the financial year 2012/13, which have been audited during 2013/14.

2.2 Members will note that the external auditor is positive about the Council's processes for grant certification and makes no recommendations for improvement.

KEVIN FOSTER  
Chief Operating Officer

Contact Officer: Ola Owolabi, Head of Accounts and Pensions,  
01273 482017

Local Member: All

Background Documents

None





Members of the Audit, Best Value and Community Services Scrutiny Committee  
East Sussex County Council  
County Hall  
St Anne's Crescent  
Lewes  
BN7 1SG

Our ref: 4008879/LLT/jc

28 January 2014

Dear Members

## Grant claims and returns certification - Year ended 31 March 2013

We undertake grant claim and return certification as an agent of the Audit Commission, in accordance with Certification Instructions issued by the Audit Commission after consultation with the relevant grant paying bodies. Our work is undertaken in accordance with the Statement of Responsibilities issued by the Audit Commission.

After completion of the tests contained within the Certification Instruction, the grant claim or return can be certified with or without amendment or, where the correct figure cannot be determined, may be qualified as a result of the testing completed. Sample sizes and methodology for this work are prescribed by the Audit Commission.

The following grant claims and returns for the year ended 31 March 2013 have been subject to certification by us:

- Teachers' pensions return
- Local Transport Plan Major Projects.

### Teacher's pensions return

Local authorities which employ teachers are required to deduct pension contributions and send them, along with employer's contributions, to Teachers' Pensions (the body which administers the Teachers' Pension Scheme on behalf of the Department for Education). These contributions are summarised on form EOYCd, which the Council is required to submit to Teachers' Pensions. Form EOYCd is subject to certification.

A number of amendments were made to the Council's EOYCd form, as a result of the audit, to include refunds made in respect of prior year contributions where teachers have more than one employment post, and to correct presentational issues in the disclosure of additional pension payments and contributions. These amendments had no overall impact on the amount owing to Teachers' Pensions.

No qualification letter was issued in respect of the amended return.

The audit fee charged for this work was £4,458, which was higher than the initial scale fee of £2,800 due to the issues highlighted above. The prior year fee was £5,708.

Tel 020 7486 5888 | Fax 020 7487 3686

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BDO LLP | 55 Baker Street | London | W1U 7EU

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### Local Transport Major Plan Projects

The Department for Transport pays grants to local transport authorities under section 31 of the Local Government Act 2003. All projects require annual certification of grant funded expenditure. In 2012/13 the Council received funding for the Bexhill-Hastings Link Road and the grant claim was subject to certification.

Our work did not identify any matters which require reporting to you. No amendments were made to the grant claim and no qualification letter was issued.

The audit fee charged for this work was £2,200, which was in accordance with an amount notified by the Audit Commission as being a reasonable fee for this type of grant claim. There was no equivalent claim in the prior year.

### Audit fees for certification work

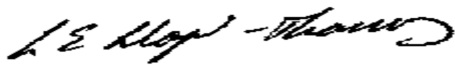
The following table reconciles the initial scale fee advised by the Audit Commission to the final fees charged for our certification work:

Certification fee reconciliation for the year ended 31 March 2013	(£)
Initial scale fee	6,750
Additional fee for the teachers' pensions return	1,658
Fee for the Local Transport Major Plan projects claim not included in initial scale fee	2,200
Fee for the School centred initial teacher training returns where an audit is no longer required this year under the Audit Commission's certification requirements	(3,950)
Final fee for certification work	6,658

### Acknowledgement

We recognise the value of your co-operation and support and would like to take this opportunity to express our appreciation for the assistance provided during the course of our certification work.

Yours sincerely



Leigh Lloyd-Thomas  
Partner  
For and on behalf of BDO LLP

cc Marion Kelly  
Mo Hemsley  
Ola Owolabi  
Russell Banks