

## Summary Sheet

### Council Report

[Audit Committee](#)

### Title

KPMG Annual Report on Grants and Returns 2015/16

### Is this a Key Decision and has it been included on the Forward Plan?

No.

### Strategic Director Approving Submission of the Report

Judith Badger – Strategic Director of Finance & Customer Services

### Report Author(s)

Graham Saxton – Assistant Director, Financial Services

Finance & Customer Services Directorate

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### Ward(s) Affected

All

## Executive Summary

In agreement with our external auditor, KPMG annually provides feedback on the effectiveness of the Council's arrangements for preparing and submitting government grant claims and returns.

The report attached as Appendix 1 summarises KPMG's key findings from the certification work they have carried out in 2015/16.

KPMG were required to audit 3 claims and returns in 2015/16. Two were unqualified, minor errors were found in relation to the third, the Housing Benefit Subsidy claim. The minor errors identified do not impact on the amount of grant claimed. These findings demonstrate that the Council continues to have good arrangements in place to support the preparation and submission of grants and returns.

## Recommendation

**The Audit Committee is asked to note the external auditor's report**

**List of Appendices Included**

Appendix 1 - KPMG Annual Report on Grants and Returns Work 2015/16

**Background Papers**

Audit Appointment Letter 2015/16

**Consideration by any other Council Committee, Scrutiny or Advisory Panel**

No

**Council Approval Required**

No

**Exempt from the Press and Public**

No

## **KPMG Annual Report on Grants and Returns 2015/16**

### **1. Recommendation**

**The Audit Committee is asked to note the external auditor's report**

### **2. Background**

- 2.1 In agreement with our external auditor, KPMG annually provides feedback on the effectiveness of the Council's arrangements for preparing and submitting government grant claims and returns.

The report attached as Appendix 1 summarises KPMG's key findings from the certification work they have carried out in 2015/16.

### **3. Key Issues**

- 3.1 KPMG were required to audit 3 claims and returns in 2015/16 (Housing Benefit Subsidy claim, Teachers' Pensions Return and Pooled Housing Capital Receipts Return).

They issued a qualification certificate in respect of the Housing Benefit Subsidy claim and unqualified certificates for the other two returns.

The errors which led to the qualification of the Housing Benefit Subsidy claim were only minor in nature and resulted in the amount of subsidy being under-claimed by £1,690. This is in the context of the total value of the claim of £90,348,575. An adjustment will be made in 2016/17 to recover the £1,690 due so that there will be no financial impact. Such minor errors are considered a very good outcome given the magnitude and complexity of this claim.

**KPMG's report demonstrates that the Council continues to maintain the high standard achieved in recent years and has good arrangements in place to ensure the efficient and effective preparation and submission of claims and returns and which supports the audit process.**

### **4. Options considered and recommended proposal**

- 4.1 KPMG are mandated to carry out the grant certification work under the terms of their engagement. No discretion exists

### **5. Consultation**

- 5.1 The contents of this report were discussed with management in Revenues, Benefits and Payments.

## **6. Timetable and Accountability for Implementing this Decision**

- 6.1 The report is for noting only.

## **7. Financial and Procurement Implications**

- 7.1 The £15,497 fee charged by KPMG, for certifying the 2015/16 Housing Subsidy Grant is in line with Public Sector Audit Appointments (PSAA) indicative fee. This represents a 25% reduction from the 2014/15 fee.
- 7.2 The fees charged for the other two returns are in line with those agreed with the Council
- 7.3 The submission of substantially accurate, complete and timely claims with good supporting working papers has enabled KPMG to place assurance on the Council's arrangements and therefore keep the audit fees to a minimum.

## **8. Legal Implications**

- 8.1 There are no specific Legal implications arising from the report.

## **9. Human Resources Implications**

- 9.1 There are no Human Resource implications arising from the report.

## **10. Implications for Children and Young People and Vulnerable Adults**

- 10.1 There are no implications arising from the proposals to Children and Young People and Vulnerable Adults.

## **11. Equalities and Human Rights Implications**

- 11.1 There are no implications arising from this report to Equalities and Human Rights.

## **12. Implications for Partners and Other Directorates**

- 12.1 There are no implications arising from this report to Partners or other directorates.

**13. Risks and Mitigation**

- 13.1 There are no outstanding risks or uncertainties as all the 2015/16 claims and returns have been certified and submitted.

**14. Accountable Officer(s)**

Judith Badger (Strategic Director of Finance and Customer Services)

Approvals Obtained from:-

Assistant Director, Financial Services – Graham Saxton

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