

## ROTHERHAM BOROUGH COUNCIL – REPORT TO MEMBERS

1.	<b>Meeting:</b>	<b>Audit Committee</b>
2.	<b>Date:</b>	<b>13 February 2013</b>
3.	<b>Title:</b>	<b>KPMG Grants Report 2011/12</b>
4.	<b>Directorate:</b>	<b>Resources</b>

### 5. Summary

The report advises Audit Committee of the matters arising from the external audit of the Council's 2011/12 government grants and returns (KPMG report attached as Appendix 1).

### 6. Recommendations

**That Audit Committee notes:**

- **the external auditor's report**
- **the good performance of the Council in preparing and submitting its 2011/12 grant claims and returns and reduced fees for carrying out grant certification work**

## 7. Proposals and Details

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 (see KPMG's report attached).

This report summarises KPMG's key findings from the certification work they have carried out in 2011/12.

The main findings are:

- KPMG were required to audit 6 claims and returns in 2011/12 with an aggregate value of £195m. None of the claims were qualified. One minor adjustment was made to one claim, a £16k adjustment in respect of the £104m housing benefit claim. KPMG have commented that such a small scale adjustment on such a large and complex claim is not significant and compares favourably with the number of errors / issues identified at other authorities.
- The Council has good arrangements in place to ensure the efficient and effective preparation and submission of claims and returns and which supports the audit process. In particular, working papers are of a good standard and officers responded promptly to audit queries.

These positive findings demonstrate that the Council continues to maintain the high standard achieved in recent years.

Fees for grant certification work have reduced from £70k in 2010/11 to £47k in 2011/12. The indicative fee for 2012/13 shows a further reduction to £25k. This is mainly a reflection of the Government's drive to reduce the number of grant funding streams and other changes to Council financing which has resulted in the number of grants and claims requiring certification reducing from 18 in 2010/11 to 6 in 2011/12 to an anticipated 3 in 2012/13.

However, this has also been achieved because the Council continues to prepare substantially accurate and complete claims within agreed timeframes and with good supporting working papers. This enables KPMG to place assurance on the Council's arrangements and therefore keep the audit fees for carrying out their grant certification work relatively low.

## 8. Finance

The reduction in fees for carrying out grant certification work is a welcome contribution to the budget savings the Council is being required to make.

**9. Risks and Uncertainties**

There are no outstanding risks or uncertainties as all the 2011/12 claims and returns have been certified and submitted.

**10. Policy and Performance Agenda Implications**

Sustaining the good performance identified by the external auditor in the way in which the Council prepares and submits government claims and returns should maintain their accuracy and quality thereby helping to secure the anticipated fee savings in 2012/13.

**11. Background Papers and Consultation**

*External Auditor's Grants Report 2011/12*  
*Indicative Audit Fee Letter 2012/13*

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