



cutting through complexity™

Certification of grants and returns 2011/12

Rotherham Metropolitan Borough Council

13 December 2012



The contacts at KPMG in connection with this report are:

Stephen Clark

Director

Tel: 0113 231 3148

Stephen.Clark@kpmg.co.uk

Rashpal Khangura

Senior Manager

Tel: 0113 231 3396

Rashpal.Khangura@kpmg.co.uk

Amy Warner

Assistant Manager

Tel: 0113 231 3089

Amy.Warner@kpmg.co.uk

	Page
■ Headlines	2
■ Summary of certification work outcomes	3
■ Fees	5

This report is addressed to the Authority and has been prepared for the sole use of the Authority. We take no responsibility to any member of staff acting in their individual capacities, or to third parties. The Audit Commission has issued a document entitled Statement of Responsibilities of Auditors and Audited Bodies. This summarises where the responsibilities of auditors begin and end and what is expected from the audited body. We draw your attention to this document.

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 Stephen Clark, who is the engagement leader to the Authority (telephone 0113 231 3148, e-mail Stephen.Clark@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 we certified: <ul style="list-style-type: none"> – Three returns with a total value of £109.3m and – Three grants with a total value of £86.1m 	<p>-</p>
Certification results	<p>We issued 6 unqualified certificates for the grants and returns. There was also no qualifications in 2010/11 as well.</p>	<p>Pages 3</p>
Audit adjustments	<p>One adjustment was necessary to one of the Council's grants as a result of our certification work this year. This compares to seven out of 18 grants/returns requiring adjustments in 2010/11. Therefore an improvement in the relative and absolute number that require amendment.</p> <ul style="list-style-type: none"> ■ The value of the adjustment was £16,197, which was a minor reduction in comparison to the claim value of £104m. ■ Total adjustments in 2010/11 were £26,458. 	<p>Pages 3</p>
The Council's arrangements	<p>The Council has good arrangements for preparing its grants and returns and supporting our certification work</p> <ul style="list-style-type: none"> ■ Working papers are generally clear and easy to follow, and very few errors have been found. ■ Officers respond efficiently and effectively to any queries we raise on grant and returns. ■ The Authority's arrangements to prepare its grants and return contribute to an efficient certification process. 	
Fees	<p>Our overall fee for the certification of grants and returns is £47,020 which is lower than last year (£70,203) and has been contained within the original estimate (£60,000).</p> <ul style="list-style-type: none"> ■ Analysis of the fees compared to prior year shows that fees have fallen against all grants and returns, with the exception of the Housing Benefits return. This is because this required additional work in comparison to previous years due to the nature of the errors identified. 	<p>Page 5</p>

Overall, we certified 6 grants and returns:

- 5 were unqualified with no amendment;
- 1 was unqualified but required some amendment to the final figures; and
- 0 required a qualification to our audit certificate.

Detailed comments are provided overleaf.

Detailed below is a summary of the key outcomes from our certification work on the Council's 2011/12 grants and returns, showing where either audit amendments were made as a result of our work or where we 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.

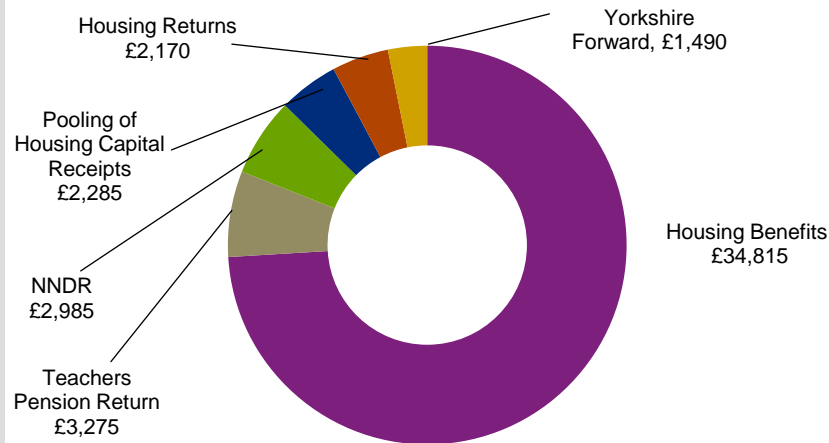
	Comments overleaf	Qualified certificate	Significant adjustment	Minor adjustment	Unqualified certificate
Housing Benefits	1				
Pooling of Housing Capital Receipts					
Housing Subsidy Claim					
Teachers Pension Return					
Brookfield Park					
		0	0	1	6

This table summarises the key issues behind each of the adjustments or qualifications that were identified on the previous page.

Ref	Summary observations	Amendment
1	<p>Housing Benefits</p> <p>Four errors were identified in this claim. The reasons for the errors are identified below:</p> <ul style="list-style-type: none"> ■ Cases which were classified as non-HRA but which should have been classified as private tenancies. ■ Overpayments due to a claimant's earnings being entered into the subsidy system incorrectly. ■ Expenditure being recorded incorrectly for a claim which the system included as having had no Rent Officer Referral made, however a Rent Officer Referral had been made. <p>This is a very complex and high value grant (£104m) and the relatively low number and value of amendments and a lack of a qualification represents good performance at preparing this grant.</p>	-£16,197

Our overall fee for the certification of grants and returns has been contained within the original estimate.

Breakdown of certification fees 2011/12



Breakdown of fee by grant/return		
	2011/12 (£)	2010/11 (£)
Housing Benefits	34,815	30,500
Teachers Pensions Return	3,360	3,581
NNDR	2,985	4,600
Pooling of Housing Capital Receipts	2,285	2,358
Housing returns (Base Data, Subsidy & Disabled Facilities)	2,255	13,805
Yorkshire Forward Single Programme	1,490	13,283
Surestart	0	2,076
Total fee	47,190	70,203

Our initial estimated fees for certifying 2011/12 grants and returns was £60,000. The main reason for the actual fee being lower than the original estimate and prior year was the reduction of claims and returns requiring certification. There has been an increase in the certification cost of Housing Benefits due to the additional work required by the certification instruction and the errors identified on page 4.



cutting through complexity™

© 2011 KPMG LLP, a UK limited liability partnership, is a subsidiary of KPMG Europe LLP and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative, a Swiss entity. All rights reserved.

The KPMG name, logo and 'cutting through complexity' are registered trademarks or trademarks of KPMG International Cooperative (KPMG International).