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# Certification of grants and returns 2012/13

Rotherham Metropolitan Borough Council

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in connection with this  
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<b>Introduction and background</b>	<p><b>This report summarises the results of work on the certification of the Council's 2012/13 grant claims and returns.</b></p> <ul style="list-style-type: none"> <li>■ For 2012/13 we certified:             <ul style="list-style-type: none"> <li>– One claim with a total value of £6.352m; and</li> <li>– Four returns with a total value of £201.235m.</li> </ul> </li> </ul>	
<b>Certification results</b>	<p><b>We issued a qualified certificate for one return and unqualified certificates for the remaining four grants and returns</b></p> <ul style="list-style-type: none"> <li>■ The Housing &amp; Council Tax Benefit claim was qualified for four separate issues, two of which have no impact on the subsidy, one of which is awaiting a response from the system suppliers. The final qualification issue could reduce subsidy entitlement by £4k, however that will depend on the conclusion reached by the Department for Work and Pensions (DWP). Separate to this there is a small adjustment to reduce subsidy entitlement by £4k which represents 0.004% of the claim value.</li> <li>■ This compares to no qualifications from 6 grants and returns in 2011/12.</li> </ul>	<b>Pages 3 - 4</b>
<b>Audit adjustments</b>	<p><b>Adjustments were necessary to one of the Council's returns as a result of our certification work this year.</b></p> <ul style="list-style-type: none"> <li>■ As mentioned above the Housing &amp; Council Tax Benefits claim was amended to reduce subsidy claimed by £4k.</li> </ul>	<b>Pages 3 - 4</b>
<b>The Council's arrangements</b>	<p><b>The Council has good arrangements for preparing its grants and returns and supporting our certification work</b></p> <ul style="list-style-type: none"> <li>■ Working papers are generally clear and easy to follow, and very few errors have been found.</li> <li>■ Officers respond efficiently and effectively to any queries we raise on grant and returns.</li> <li>■ The Authority's arrangements to prepare its grants and return contribute to an efficient certification process.</li> </ul>	<b>Pages 3 - 4</b>
<b>Fees</b>	<p><b>The Audit Commission changed its fee regime for certifying grants and returns in 2012/13, and set an indicative fee for the Council of £24,650. Our actual fee for the certification of grants and returns was £24,899.</b></p> <ul style="list-style-type: none"> <li>■ The increase in fee from the indicative amount is due to the requirement to certify the Local Transport Plan: Major Projects grant which was not included in the original figure.</li> </ul>	<b>Page 5</b>

Overall, we certified 5 grants and returns:

- 4 were unqualified with no amendment;
- 1 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 2012/13 grants and returns, showing where either 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 & Council Tax Benefit	1				
Pooling of Housing Capital Receipts					
National Non Domestic Rates return					
Teachers' Pensions return					
Local Transport Plan: Major Projects					
		1		1	4

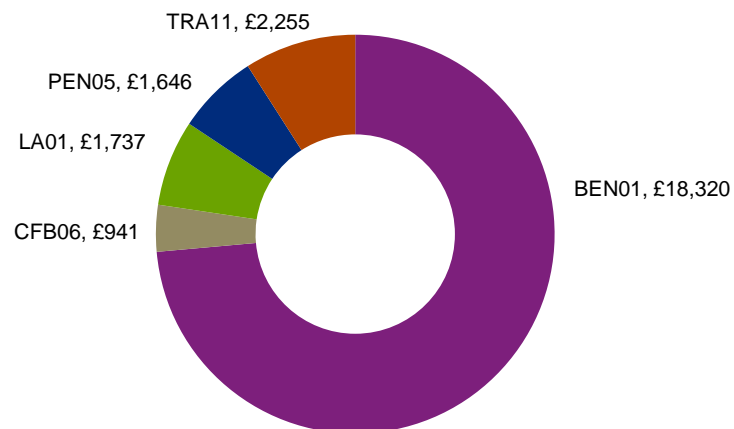


This table summarises the key issues behind the adjustment and qualification that were identified on the previous page.

Ref	Summary observations	Amendment
1	<p><b>Housing &amp; Council Tax Benefit</b></p> <ul style="list-style-type: none"> <li>•Detailed testing of Rent Rebates identified cases where benefit had been overpaid due to the claimant's weekly working hours being input incorrectly (and subsequently an additional earnings disregard being applied incorrectly). An extrapolated error was calculated for this issue and included within the qualification letter. Should the Department for Work and Pensions (DWP) choose to adopt this extrapolated error to the subsidy entitlement, there would be a small reduction of £4k.</li> <li>•Detailed testing of Rent Rebates also identified a case where we were unable to determine whether benefit had been correctly granted due to a number of unexplained movements in weekly benefit rate. A query had been raised with Northgate however no response had been received by the deadline for certification, and therefore this was included in the qualification letter.</li> <li>•A further issue was identified with a Rent Rebate case where benefit had been underpaid as an additional earnings disregard had only been applied in part. This was included on the qualification letter for information only, and will have no impact on subsidy.</li> <li>•Detailed tested of Rent Rebates, Rent Allowances, and Council Tax Benefits identified cases where expenditure had been incorrectly classified as backdated expenditure. An extrapolated error was calculated for this issue and included within the qualification letter. Should the DWP choose to adopt this extrapolated error there will be no change to subsidy as the backdated expenditure cells are for information only.</li> <li>•This is a very complex and high value grant (£112m) and the relatively low number and value of amendments/qualification issues represents good performance at preparing this grant claim relative to other local authorities.</li> </ul>	-£4k

Our overall fee for the certification of grants and returns is slightly higher than the original estimate due to an additional grant requiring certification

### Breakdown of certification fees 2012/13



### Breakdown of fee by grant/return

	2012/13 (£)	2011/12 (£)
BEN01 – Housing and Council Tax Benefit	18,320	34,815
CFB06 – Pooling of Housing Capital Receipts	941	2,285
LA01 – National Non Domestic Rates return	1,737	2,985
PEN05 – Teachers’ Pensions return	1,646	3,360
TRA11 – Local Transport Plan: Major Schemes	2,255	0
Other claims not certified in 2012/13	0	3,745
<b>Total fee</b>	<b>24,899</b>	<b>47,190</b>

The Audit Commission changed its fee regime for certifying grants and returns in 2012/13. It set an indicative fee for the Council of £24,650. Based on the actual work we carried out the actual fee we charged was higher than the indicative fee. The actual fee varied from the indicative fee for the following reasons

- The Local Transport Plan: Major Schemes grant was not included in the initial original Audit Commission calculation, so additional fee of £2,255 was required;
- In 2010/11, the base year for this year’s fee, Pooling of Housing Capital Receipts, National Non-Domestic Rates and the Teachers’ Pension Return all required part A and B testing. For 2012/13, only part A testing was required. This has led to a fee reduction of £2,006.

The fee has reduced in comparison to 2011/12 by £22,291.



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