



KPMG LLP
Audit
1 The Embankment
Neville Street
Leeds LS1 4DW
United Kingdom

Tel +44 (0) 113 231 3418
Fax +44 (0) 113 231 3200
DX 724440 Leeds
Rashpal.khangura@kpmg.co.uk

Mr Stuart Booth
Strategic Director of Resources &
Transformation
Rotherham Metropolitan Borough Council
Riverside House
Main Street
Rotherham
S60 1AE

Our ref RK/JR/Let-30

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Dear Stuart

Certification of claims and returns - annual report 2013/14

The Audit Commission requires its external auditors to prepare an annual report on the claims and returns it certifies for each client. This letter is our annual report for the certification work we have undertaken for 2013/14.

In 2013/14 we carried out certification work on the following claims/returns:

Claim/return	Certified value (£)
BEN01 – Housing Benefit subsidy claim	92,533,752
CFB06 – Pooling of Housing Capital Receipts	3,783,106
TRA11 – Local Transport Plan Major Projects	5,447,820
Total	101,764,678

Matters arising

Our certification work did not identify any issues or errors with the Pooling of Housing Capital Receipts and Local Transport Plan Major Projects, and we certified these claims/returns unqualified without amendment.

On the Housing Benefit subsidy claim, there were several issues which led to qualification and amendment of the claim; these were mainly attributable to benefit assessor inputting errors. The impact on subsidy of the majority of these errors, however, is expected to be minimal. The qualification issue related to the claim including entries for payment runs made on 01, 02 and 04 April. Since these payments were made in 2014/15, they should be included in the 2014/15 claim, irrespective of the fact the payments related to 2013/14.

**Certification work fees**

The Audit Commission set an indicative fee for our certification work in 2013/14 of £19,733. Our actual fee (£24,039) was higher than the indicative fee, and this compares to the 2012/13 fee for these claims of £21,516.

The details are set out in the table below.

Claim	2013/14 Indicative fee (£)	2013/14 Final fee (£)	2012/13 Final fee (£)
BEN01 – Housing Benefit subsidy claim	18,363	21,101	18,320
CFB06 – Pooling of Housing Capital Receipts	1,370	1,900	941
TRA11 – Local Transport Plan Major Projects	-	1,038	2,255
LA01 – National Non-Domestic Rates	-	-	1,737
PEN05 – Teachers Pension Return	-	-	1,646
Total	19,733	24,039	24,899

The final fee for Housing Benefit subsidy claim includes a fee variation of £2,738. The TRA11 grant was not included in the indicative fee set by the Audit Commission. The CFB06 grant had an increase in fee from 2012/13 due to the requirement to undertake both Part A and Part B testing, which is required every three years. There is no fee in 2013/14 for LA01 and PEN05 as these no longer fall within the Audit Commission certification regime.

Yours sincerely

Rashpal Khangura
Director

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 Rashpal Khangura, who is the engagement leader to the Authority (telephone 0113 231 3396, e-mail Rashpal.khangura@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 Manager, Audit Commission, 3rd Floor, Fry Building, 2 Marsham Street, London, SW1P 4DF or by email to complaints@audit-commission.gsi.gov.uk. Their telephone number is 0303 444 8330.