



*cutting through complexity™*

# Certification of grants and returns 2011/12

Cheltenham Borough Council

26 October 2012





## Contents

The contacts at KPMG in connection with this report are:

Ian Pennington  
*Director*  
KPMG LLP (UK)

Tel: 0292 046 8087

ian.pennington@kpmg.co.uk

Rachael Tonkin  
*Manager*  
KPMG LLP (UK)

Tel: 0117 905 4654

Rachael.tonkin@kpmg.co.uk

Megan Lumsdaine  
*Assistant Manager*  
KPMG LLP (UK)

Tel: 0117 905 4266

megan.lumsdaine@kpmg.co.uk

	Page
■ Headlines	2
■ Summary of certification work outcomes	3
■ Fees	4

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 Ian Pennington, who is the engagement leader to the Authority (telephone 029 20468087, e-mail [ian.pennington@kpmg.co.uk](mailto:ian.pennington@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](mailto: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](mailto:complaints@audit-commission.gov.uk). Their telephone number is 0844 798 3131, textphone (minicom) 020 7630 0421.

## Certification of grants and returns 2011/12 Headlines

Introduction and background	<p><b>This report summarises the results of work on the certification of the Council's 2011/12 grant claims and returns.</b></p> <ul style="list-style-type: none"> <li>■ For 2011/12 we certified: <ul style="list-style-type: none"> <li>– Four grants and returns with a total value of £93.8m</li> </ul> </li> </ul>	-
Certification results	<p><b>We issued unqualified certificates for three grants and returns but qualification was necessary in one case.</b></p> <ul style="list-style-type: none"> <li>■ Our initial testing on the Housing Benefit &amp; Council Tax Benefit Claim identified one case where the claimant had been underpaid. Additional testing was undertaken and no further errors were identified; and</li> <li>■ No similar errors were identified in the previous year's audit.</li> </ul>	Page 3
Audit adjustments	<b>No adjustments were necessary to the Council's grants and returns as a result of our certification work this year.</b>	Page 3
The Council's arrangements	<b>The Council has good arrangements for preparing its grants and returns and supporting our certification work</b>	-
Fees	<b>The fee for the certification of grants and returns is £25,444 (2010/11 £26,080)</b>	Page 4

## Certification of grants and returns 2011/12




### Summary of certification work outcomes

Overall, we certified four grants and returns:

- Three were unqualified with no amendment;
  - One required a qualification to our audit certificate but with no amendment.
- Detailed comments are provided.

We set out below 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 we identified issues 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.

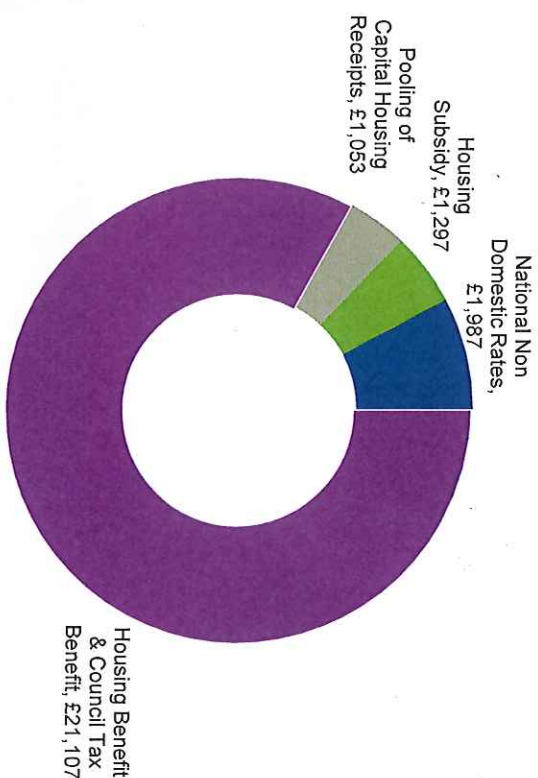
	Comments below	Qualified certificate	Significant adjustment	Minor adjustment	Unqualified certificate
Housing Benefits and Council Tax Benefit claim	1				
Pooling of Capital Housing Receipts					
Housing Benefit Subsidy					
National Non Domestic Rates		1	0	0	3

Ref	Summary observations	Amendment
1	<p><b>Housing Benefit and Council Tax Benefits claims</b></p> <ul style="list-style-type: none"> <li>■ Testing of the initial sample identified one case where the benefit had been underpaid as a result of the claimant requesting the incorrect start date for the benefit. The claimant requested the benefit to start the day after they had actually moved into the property. As there is no eligibility to subsidy for benefit which has not been paid, the underpayment identified does not result in an amendment to the claim.</li> <li>■ As the error arose due to the claimant requesting the incorrect start date (which could have resulted in an overpayment as well as an underpayment) we tested an additional random sample of cases. No further underpayments or overpayments were identified.</li> <li>■ This is the first year we have identified an error of this nature.</li> </ul>	£0

## Certification of grants and returns 2011/12 Fees

Our overall fee for the certification of grants and returns is in line with last years fee.

Breakdown of certification fees 2011/12



Breakdown of fee by grant/return		
	2011/12 (£)	2010/11 (£)
Housing Benefit & Council Tax Benefit	21,107	17,980
Pooling of Capital Housing Receipts	1,053	1,240
Housing Subsidy	1,297	1,828
National Non Domestic Rates	1,987	2,004
Housing Subsidy Base Data return	-	1,785
Grant Disabled Facilities grant	-	1,244
<b>Total fee</b>	<b>25,444</b>	<b>26,081</b>

Our initial estimated fees for certifying 2011/12 grants and returns was £23,050. The actual fee of £25,444 that was charged was £2,394 higher than the estimate as a result of additional detailed audit testing that was needed on the Housing Benefit & Council Tax Benefit claim. The total final fee was close to the initial estimate and is below the final fee for 2010/2011.



*cutting through complexity™*

© 2012 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).