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Our ref **WiltC/13-14/GrantRep**

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07 January 2015

Dear Michael

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	118,523,326
CFB06 – Pooling of Housing Capital Receipts	29,161,185
Total	147,684,511

Matters arising

Our certification work did not identify any issues or errors with the Pooling of Housing Capital Receipts return, and we certified this return unqualified without amendment.

A number of errors were identified in relation to the Housing Benefit Subsidy Claim with resulted in the return being both amended and qualified. The errors identified related to:

- Incorrect entry of claimants' income figures;
- Incorrect classification of overpayments identified during the year;
- Incorrect recording of claim start dates;
- Errors in the application of the spare room subsidy cap; and
- Errors in the recording of benefits as having been backdated.

The nature of the errors identified in such that they have arisen as a result of human error and the rate of incidence was relatively low and as a result were seen as exceptions to the general standard of the work performed by the benefits team. Given the large volume of transactions and information processed by the benefits team, such errors are likely to occur. Whilst additional training may help reduce the number of errors, it is unlikely to eradicate them completely. As a result we have made no formal recommendations to the Authority to improve its claims completion process.

In our 2012/13 Certification Annual Report we raised one recommendation relating to compliance with the required preparation process for the Housing Benefit Subsidy Claim. Our testing confirmed that the process had been complied with in full during 2013/14 and as a result we are satisfied that the Council has improved its arrangements and has addressed the recommendation.

Certification work fees

The Audit Commission set an indicative fee for our certification work in 2013/14 of £23,006. Our actual fee was the same as the indicative fee, and this compares to the 2012/13 fee for these claims of £33,515. The reduction in fee relates primarily to the Housing Benefit Subsidy Claim and reflects the cessation of Council Tax Benefits which reduced the volume of sample testing required.

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	22,554	22,554	32,065
CFB06 – Pooling of Housing Capital Receipts	452	452	1,450
Total	23,006	23,006	33,515

Yours sincerely



Darren Gilbert
Director, KPMG LLP

Appendix 2 – Follow up of 2012/13 Certification of Claims and Returns Recommendations

Number	Issue & Implication	Recommendation Raised	Priority	Status as at January 2015
1	<p>Through our certification work over the Housing & Council Tax Benefits Scheme we identified that the benefits team omitted the processing of a required reconciliation report when preparing the claim form.</p> <p>The omission of the return from the preparation process resulted in fifteen adjustments to the claim form for 2012/13.</p> <p>Due to the nature of the error identified, it was possible to process the adjustments required and thereby avoid qualification of the claim. This required additional work by both the Authority and ourselves, however.</p>	<p>Ensure that the required processes for preparing grants and returns are clearly understood and complied with.</p> <p>In order to gain such an understanding, ensure that relevant officers are provided with, and required to fully review, copies of guidance issued by both the awarding body and software developers.</p>	<p>②</p>	<p>We reviewed the claim production process as undertaken during 2013/14 and confirmed that all required reconciliations had been undertaken.</p> <p>Implemented</p>

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 Darren Gilbert, who is the engagement leader to the Authority (telephone 0292 046 8205, e-mail darren.gilbert@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.