



<b>GA.52 14/15</b>
<b>Governance and Audit Committee</b>
<b>Date 17 March 2016</b>

**Subject: Certification of Grant Claims 2014/15**

Report by:	Adrian Benselin KPMG
Contact Officer:	Tracey Bircumshaw Financial Services Manager 01427 676560 Tracey.Bircumshaw@west-lindsey.gov.uk
Purpose / Summary:	The purpose of the report is to present the outcome of Grant Claims certifications 2014/15.

**RECOMMENDATION(S):**  
**That Members note and receive the information contained within this report.**

## IMPLICATIONS

**Legal:**

None arising from this report.

**Financial : FIN/4/17** Public Sector Audit Appointments Limited set an indicative fee for the certification work in 2014/15 of £7,340. The proposed actual fee is £8,234. This is higher than the indicative fee due to additional work required to complete the documentation of cases tested and a review of workings behind benefit paid and granted as these did not reconcile. External Audit also identified and investigated a potential issue regarding claim start dates in respect of Local Housing Allowance (LHA) and the impact on classification of overpayments in the subsidy claim.

**Staffing :**

None arising from this report.

**Equality and Diversity including Human Rights :**

None arising from this report

**Risk Assessment :**

None arising from this report.

**Climate Related Risks and Opportunities :**

None arising from this report.

**Title and Location of any Background Papers used in the preparation of this report:**

**Call in and Urgency:**

**Is the decision one which Rule 14.7 of the Scrutiny Procedure Rules apply?**

i.e. is the report exempt from being called in due to urgency (in consultation with C&I chairman)

Yes

No

**Key Decision:**

A matter which affects two or more wards, or has significant financial implications

**Yes**

**No**

**x**

## **Executive Summary**

The report summarises the outcome of work undertaken by KPMG on Grant Claim Certifications for 2014/15, of which the headlines include:

- Certification of housing and council tax benefit grant of £23,210,654 m
- Unqualified opinion.
- No recommendations to the Authority on how to improve its claim completion process.

The report will be presented by Adrian Benselin, KPMG LLP (UK).



**KPMG LLP**  
**Audit**  
St Nicholas House  
Park Row  
Nottingham  
NG1 6FQ

Tel 0116 256 6082

Mr I Knowles  
Director of Resources  
West Lindsey District Council  
Guildhall  
Marshall's Yard  
Gainsborough  
Lincolnshire  
DN21 2NA

Our ref 2575529/TC

12 February 2016

Dear Ian

### **Certification of claims and returns - annual report 2014/15**

Public Sector Audit Appointments Ltd 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 2014/15.

In 2014/15 we carried out certification work on only one claim/return, the Housing Benefit Subsidy claim. The certified value of the claim was £23,210,654, and we completed our work and certified the claim on 26 November 2015.

### **Matters arising**

In respect of rent allowances, testing of individual claims identified one case where rent allowance was overpaid, and two cases where rent allowance was underpaid, due to applying an incorrect start date to the claim. In all such cases the certification approach requires us to report the circumstances to DWP.

Our certification work also identified a small number of errors in the claim. In such cases the cell populations were small and we were able to review 100% testing carried out by your staff, and agree a small number of cell amendments. The overall adjustment to the claim was £444, compared with £1,549 in 2013/14.

We have made no recommendations to the Authority to improve its claims completion process. There were no recommendations made last year and there are no further matters to report to you regarding our certification work.



**Certification work fees**

Public Sector Audit Appointments Ltd set an indicative fee for our certification work in 2014/15 of £7,340. Our proposed actual fee is £8,234. This is higher than the indicative fee, due to additional work required to complete the documentation of cases tested and a review of workings behind benefit paid and granted as these did not reconcile. We also identified and investigated a potential issue regarding claim start dates in respect of Local Housing Allowance (LHA), and the impact on classification of overpayments in the subsidy claim.

The fee compares to the 2013/14 fee for this claim of £4,928.

Yours sincerely

A handwritten signature in black ink that reads 'Tony Crawley'.

Tony Crawley  
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. We draw your attention to the Statement of Responsibilities of auditors and audited bodies, which is available on Public Sector Audit Appointment's website ([www.psaa.co.uk](http://www.psaa.co.uk)).

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.

We are committed to providing you with a high quality service. If you have any concerns or are dissatisfied with any part of KPMG's work, in the first instance you should contact John Cornett, the engagement lead to the Authority, who will try to resolve your complaint. If you are dissatisfied with your response please contact the national lead partner for all of KPMG's work under our contract with Public Sector Audit Appointments Limited, Andrew Sayers, by email to [andrew.sayers@kpmg.co.uk](mailto:andrew.sayers@kpmg.co.uk). After this, if you are still dissatisfied with how your complaint has been handled you can access PSAA's complaints procedure by emailing [generalenquiries@psaa.co.uk](mailto:generalenquiries@psaa.co.uk), by telephoning 020 7072 7445 or by writing to Public Sector Audit Appointments Limited, 3rd Floor, Local Government House, Smith Square, London, SW1P 3HZ.