



GA.40 16/17
Governance and Audit Committee
17 January 2017

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Subject: Certification of Claims and Returns Annual Report 2015/16

Report by:

Ian Knowles
Director of Resources (S151)

Contact Officer:

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Purpose / Summary:

The purpose of the report is to present the Annual Claims and Returns Report from our External Auditor KPMG.

RECOMMENDATION(S):
That Members accept the information contained within this report.

IMPLICATIONS

Legal: None arising from this report.

Financial : FIN/124/17 As detailed within the Annual Grant Report

Staffing : None arising from this report.

Equality and Diversity including Human Rights : None arising from this report

Risk Assessment : None arising from this report.
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Climate Related Risks and Opportunities : None arising from this report.
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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

Executive Summary

The Certification of Grants and Returns Annual Report is attached at Appendix A, the headlines of which include:

- Housing Benefits was the only certified grant claim
- 7,464 claims were processed totalling £23,030,996
- The grant was certified on 28 November 2016

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



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Private & confidential

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Director of Resources
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Our ref

Date: 9 January 2017

Dear Ian

West Lindsey District Council – Certification of claims and returns – annual report 2015/16

Public Sector Audit Appointments (PSAA) requires its external auditors to prepare an annual report on the claims and returns certified for each audited body. This letter is our annual report for the certification work we have undertaken for 2015/16.

In 2015/16 we carried out certification work on only one claim/return, the Housing Benefit Subsidy claim. The certified value of the claim was £23,030,996, and we completed our work and certified the claim on 28 November 2016.

The Authority paid benefit to 7,464 claimants (non-HRA rent rebates 19; rent allowances 7,445).

Matters arising

Our certification work on the Housing Subsidy Benefit claim included:

- agreeing standard rates, such as for allowances and benefit incomes, to the DWP Circular communicating the value of each rate for the year;
- sample testing of benefit cases to confirm that the entitlement had been correctly calculated and was supported by appropriate evidence;
- undertaking an analytical review of the claim form considering year-on-year variances and key ratios;
- confirming that the subsidy claim had been prepared using the correct benefits system version; and

- completing testing in relation to modified schemes payments, uncashed cheques and verifying the accurate completion of the claim form.

Testing of the initial random sample of 20 rent allowance cases identified 1 case where benefit had been overpaid as a result of the Authority incorrectly treating non-dependents income and deductions. As a result of this error, we carried out a further test of 40 cases which identified no further errors. We reported the circumstances to DWP.

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

PSAA set an indicative fee for our certification work in 2015/16 of £3,696. Our actual fee was the same as the indicative fee.

For 2014/15, PSAA set an indicative fee for our certification work of £7,340. Our actual fee was £8,234. We set out the reasons for the additional fee in last year's annual report. The fees vary considerably from year to year due to the historic basis (a two year cycle related to actual time spent in 2011/12 and earlier years) that PSAA use to set the scale fees.

Yours sincerely



John Cornett
Engagement lead



This report is addressed to the Council and has been prepared for the sole use of the Council. 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).

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. 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, by telephoning 020 7072 7445 or by writing to Public Sector Audit Appointments Limited, 3rd Floor, Local Government House, Smith Square, London, SW1P 3HZ.