



**Report for:
INFORMATION**

Item Number:

Contains Confidential or Exempt Information	NO
Title	KPMG Certification of Grants Report
Responsible Officer	Maria G Christofi, Director of Finance
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Portfolio	Cllr Yvonne Johnson – Finance, Performance & Customer Services
For Consideration By	Audit Committee
Date to be considered	20 January 2016
Implementation Date if Not Called In	N/A
Affected Wards	All
Area Committees	N/A
Keywords/Index	Audit, Control, KPMG

Purpose of Report:

KPMG have concluded their audit of grant claims and will also present their findings to this Committee as part of their Certification of claims return which is appended to this report as Appendix 1.

1. Recommendation

1.1 It is recommended that the Committee notes:-

- The Certification of claims returns 2014/15 (Appendix 1)

2. Reason for Decision and Options Considered

2.1 This is a report for information; no decision is required.

3. Key Implications – Certification of grant claim returns

3.1 KPMG audited three grant claims that the Council made in 2014/15, these being; Housing Benefit subsidy claim; Pooling of Capital Receipts and Teachers Pension return. The results of this audit are provided in KPMG's Certification of claims and returns letter which is attached to this report as Appendix 1. KPMG will be presenting this return to this meeting of the Audit Committee.

3.2 In summary KPMG have issued an unqualified certificate for the Pooling of Capital Receipts grant, and an unqualified qualification opinion in respect of the Teachers' Pension return.

3.3 The Housing Benefits Subsidy Claim was also audited and of the 60 cases tested three errors were identified (the same as in 2013/14). Further testing identified an additional ten errors in a sample of 280 cases. Only a total of three errors affected the claim meaning the extrapolated error will result in the Council being able to claim an additional £200,000 (approximately). As a result of the testing this claim has been qualified.

3.4 The Officers in the Housing Benefits Team who prepare this grant claim will be carrying out a review to further strengthen controls and accuracy and have provided management responses to the issues raised from the audit – these are highlighted in Appendix 1 of the KPMG report.

4 Financial implications

4.1 The audit fees paid for the certification of grant claim in 2014/15 are as follows:-

	Budget	Actual
	£	£
Certification of grant claims	35,440	35,440

4.2 The audit fee for 2013/14 was £40,388.

4.3 There was no amendment to the amount payable or to be claimed as a result of the audit of the Teachers' Pension Return and Pooling of Housing Capital Receipts. As discussed above the Council will be able to claim an additional £200,000 from the Housing Benefit Subsidy claim.

5. Legal

5.1 The Accounts and Audit (England) Regulations 2011 require that, as soon as reasonably possible after receipt of the annual letter from the auditor, the members of the Committee must meet to consider it and following that consideration must:

- (a) publish the annual audit letter received from the auditor; and
- (b) make copies available for purchase by any person on payment of such sum as the Council may reasonably require.

6. Value For Money (VFM)

6.1 The external auditors have issued an unqualified VFM conclusion confirming the Council has proper arrangements to secure economy, efficiency and effectiveness in the way resources are used.

7. Risk Management

7.1 KPMG's audit letter comments that the Medium Term Financial Strategy is sufficiently robust to manage risk and assist the Council in delivering services whilst maintaining financial stability.

8. Community Safety

8.1 Not applicable.

9. Links to Strategic Objectives

9.1 The issues outlined in this report are linked to the Council's objective 'Becoming a high performing organisation, focused on the needs of its communities'.

10. Equalities and Community Cohesion

10.1 No identified need for the completion of an Equality Impact Assessment.

11. Staffing/Workforce and Accommodation implications:

11.1 Not applicable

12. Property and Assets

12.1 Not applicable

13. Any other implications:

13.1 None

14. Consultation

14.1 As per attached table

15. Timetable for Implementation

15.1 None

16. Appendices

Appendix 1: KPMG grant claims report 2014/15

17. Background Information

Financial Statements

http://www.ealing.gov.uk/info/200687/council_budgets_and_spending/338/statement_of_accounts

Consultation

Name of consultee	Department	Date sent to consultee	Date response received	Comments appear in report para:
Cllr Yvonne Johnson	Finance, Performance & Customer Service	12-01-2016		
Ian O'Donnell	Executive Director of Corporate Resources	12-01-2016		
Maria Christofi	Director of Finance	11-01-2016	11-01-2016	
Maria Campagna	Strategic Finance Partner – Corporate	04-01-2016	07-01-2016	Throughout

Report
History

Decision type	Urgency item?		
For information and action	No		
Authorised by Cabinet member:	Date report drafted:	Report deadline:	Date report sent:
Cllr Yvonne Johnson			
Report no.:	Report author and contact for queries:		
	Ruairi Hughes Financial Control Manager 020 8825 7811		