



# Annual Report on grants and returns 2016/17

**London Borough of Ealing**

February 2018



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## Headlines

### Introduction and background

This report summarises the results of work we have carried out on the Council's 2016/17 grant claims and returns.

This includes the work we have completed under the Public Sector Audit Appointment (PSAA) certification arrangements, as well as the work we have completed on other returns under separate engagement terms. The work completed in 2016/17 is:

- Under the PSAA arrangements we certified one claim – the Council's 2016/17 Housing Benefit Subsidy claim. This had a value of £275 million.
- Under separate engagements we issued assurance reports on the following two returns;
  - Teachers' Pension Return (£24 million); and
  - Pooling of Housing Capital Receipts Housing (capital receipts subject to pooling £13 million).

### Certification and assurance results (Pages 4-5)

Our certification work on 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 claims 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.

Following the completion of our work, the claim was unqualified. This was the first time for over five years that the claim had been unqualified.

Our work on the other grant assurance engagements resulted in unqualified assurance reports being issued. The Pooling of Housing Capital Receipts had three adjustments, which did not impact on the total housing capital receipts subject to pooling.

### Recommendations

We have made no recommendations to the Council from our work this year.

### Fees (Page 6)

Our fee for certifying the Council's 2016/17 Housing Benefit Subsidy grant was £22,080, which is in line with the indicative fee set by PSAA.

Our fees for the other returns were subject to agreement directly with the Council and totalled £6,000.

# Summary of reporting outcomes






Overall, we carried out work on three grants and returns:

- Two were unqualified with no amendment; and
- One was unqualified but required some amendment to the final figures.

Detailed comments are provided overleaf.

Detailed below is a summary of the reporting outcomes from our work on the Council’s 2016/17 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 or assurance report.

A qualification means that issues were identified 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 overleaf	Qualified	Significant adjustment	Minor adjustment	Unqualified
<b>Public Sector Audit Appointments regime</b>					
— Housing Benefit Subsidy	1				
<b>Other grant/return engagements</b>					
— Teachers’ Pension Return	2				 *
— Pooling of Housing Capital receipts	3				
		None	One	One	Three

\* We were required to report a £13 difference between actual contributions and gross salaries multiplied by the required percentage. This was not a qualification.

# Summary of certification work outcomes

This table summarises the key issues behind each of the adjustments that were identified on the previous page.

Ref	Summary observations	Amendment to claim/return
1	<p><b>Housing Benefit Subsidy Claim</b></p> <p>Our testing of 60 cases did not identify any errors. This was an improvement on last year where we qualified the claim due to errors identified on an incorrect rent figure being used and an error in an overpayment calculation.</p> <p>Officers are pleased that the processes put in place to address issues identified within prior year claims have proved successful. The service continues to seek improvements to ensure the accuracy of housing benefit assessments undertaken.</p>	None
2	<p><b>Teachers' Pension Return</b></p> <p>Our testing identified that multiplying gross salaries by the expected contributions resulted in a difference of £13.43 on total contributions of £24,654,843 which we were required to report to the Department. The Council investigated this and believes it relates to rounding adjustments on individual teachers monthly contributions. This is not a qualification of the return.</p>	None
3	<p><b>Pooling of Housing Capital Receipts</b></p> <p>We identified that the Council had overlooked the need to include total new build expenditure for the financial year in the original return. The figure provided for this and included in the final return was £21,195,274. There were also two adjustments made to the valuation figures totalling £35,830.</p> <p>These adjustments do not impact on the total housing capital receipts subject to pooling this year. These errors were adjusted and we issued an unqualified assurance report.</p>	None

## Fees

Our fees for the Housing Benefit Subsidy claim are set by Public Sector Audit Appointments.

Our fees for other assurance engagements on returns are agreed directly with the Council.

The overall fees we charged for carrying out all our work on grants/returns in 2016/17 was £28,080

### Public Sector Audit Appointments certification arrangements

Public Sector Audit Appointments set an indicative fee for our work on the Council's Housing Benefit Subsidy claim in 2016/17 of £22,080. Our actual fee was the same as the indicative fee.

### Grants subject to other engagements

The fees for our work on other grants/returns are agreed directly with the Council. Our fees for 2016/17 were in line with those in 2015/16.

### Breakdown of fees for grants and returns work

Breakdown of fee by grant/return		
	2016/17 (£)	2015/16 (£)
Housing Benefit Subsidy claim	22,080	27,321
Teachers' Pension Return	3,000	3,000
Pooling of Housing Capital receipts	3,000	3,000
<b>Total fee</b>	<b>28,080</b>	<b>33,321</b>



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