



Annual Report on grants and returns 2017/18

London Borough of Ealing

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Headlines

Introduction and background

This report summarises the results of work we have carried out on the Council's 2017/18 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 2017/18 is:

- Under the PSAA arrangements we certified one claim – the Council's 2017/18 Housing Benefit Subsidy claim. This had a value of £266 million.
- Under separate engagements we issued assurance reports on the following two returns;
 - Teachers' Pension Return (£24 million); and
 - Pooling of Housing Capital Receipts Return (capital receipts subject to pooling £9 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.

Our work on the other grant assurance engagements resulted in an adjustment to the Teachers' Pension Return that decreased the amount payable to the Department by £257,610 and on both the Teachers' Pension Return and Pooling of Housing Capital Receipts Return we were reported to report a minor issue arising from the work we were required to perform.

Recommendations

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

Fees (Page 6)

Our fee for certifying the Council's 2017/18 Housing Benefit Subsidy grant was £27,321, 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 £6,500.



Summary of reporting outcomes

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

Detailed comments are provided overleaf.

Detailed below is a summary of the reporting outcomes from our work on the Council’s 2017/18 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.

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
Public Sector Audit Appointments regime					
— Housing Benefit Subsidy	1				
Other grant/return engagements					
— Teachers’ Pension Return	2				*
— Pooling of Housing Capital Receipts Return	3				*
		None	None	One	One

* For the Teachers’ Pension Return and Pooling of Housing Capital Receipts Return the work is performed under agreed upon procedures where we report findings against agreed audit procedures rather than forming an opinion or giving assurance. These findings are shown on page 5

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>Housing Benefit Subsidy Claim</p> <p>Our testing of 60 cases did not identify any errors. This was second year in a row where we have been able to issue an unqualified certificate.</p>	None
2	<p>Teachers' Pension Return</p> <p>Our testing identified that the return included £257,610 of contributions made in January to March 2018 relating to a school that became an academy in January who started paying contributions in January 2018. This was adjusted on the return and the Council is reclaiming the money paid to the Department.</p> <p>Our testing also identified that multiplying gross salaries by the expected contributions resulted in a difference of £31.49 on total contributions of £24,525,117 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.</p>	-£257,610
3	<p>Pooling of Housing Capital Receipts return</p> <p>Our testing of the return found that while the Council had a report showing the total interest collected of £3,940 in respect of properties previously sold under a mortgage, a detailed breakdown of the individual amounts had not been received from the third party. We were thus unable to complete our testing on this amount.</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 2017/18 was £33,821

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 2017/18 of £27,321. 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. The final fees for 2017/18 were in line with those agreed prior to the start of the work.

Breakdown of fees for grants and returns work

Breakdown of fee by grant/return		
	2017/18 (£)	2016/17 (£)
Housing Benefit Subsidy claim	27,321	22,080
Teachers' Pension Return	3,500	3,000
Pooling of Housing Capital receipts	3,000	3,000
Total fee	33,821	28,080



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