



<b>Report for: Information</b>
<b>Item Number:</b>

<b>Contains Confidential or Exempt Information</b>	<b>NO</b>
<b>Title</b>	KPMG Certification of Grants Report
<b>Responsible Officer</b>	Ross Brown, Director of Finance
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<b>Portfolio</b>	Cllr Yvonne Johnson – Finance, Performance & Customer Services
<b>For Consideration By</b>	Audit Committee
<b>Date to be considered</b>	28 February 2017
<b>Implementation Date if Not Called In</b>	N/A
<b>Affected Wards</b>	All
<b>Area Committees</b>	N/A
<b>Keywords/Index</b>	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 2015/16 (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 2015/16, 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. There were minor adjustments to the bottom line of the returns of £13,764 and £17,060 respectively.

3.3 The Housing Benefits Subsidy Claim was also audited and of the 60 cases tested two errors were identified, which is an improvement on 2014/15 where 5 separate cells were qualified. Only one error affected the claim value meaning the extrapolated error will result in the Council being able to claim an additional £30,513. A further 40 tests were carried out on the rent figures used by the council, all of which were found to be correct. As a result of the testing this claim has been qualified.

3.4 The Officers in the Housing Benefits Team that prepare the claim are pleased that the processes put in place to address issues identified within prior year claims are proving successful. The service continues to seek improvements within the accuracy of the HB assessments undertaken. These include regular quality checks and risk assessments which are carried out by the Management Assurance (MA) Team. Training needs are reviewed on a regular basis and discussed at Team Meetings.

3.5 Officers recognise the LA error has again been identified as an issue and have increased the number of checks carried out within this area.

3.6 KPMG have raised no recommendations as a result of the audit and the three recommendations from 2015/16 have all been implemented.

#### 4 Financial implications

4.1 The audit fees (appendix page 6) paid for the certification of grant claim in 2015/16 are as follows:-

	<b>Budget</b>	<b>Actual</b>
	<b>£</b>	<b>£</b>
<b>Certification of grant claims</b>	33,321	33,321

4.2 The audit fee for 2014/15 was £35,440

4.3 The council will be able to claim an additional £30,513 from the Housing Benefit Subsidy claim due to resulting adjustments listed above.

#### 5. Legal

5.1 These are set out within the main body of the report

#### 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 annual report on grant claims and returns 2015/16

## **17. Background Information**

None

## **Consultation**

<b>Name of consultee</b>	<b>Department</b>	<b>Date sent to consultee</b>	<b>Date response received</b>	<b>Comments appear in report para:</b>
Cllr Yvonne Johnson	Finance, Performance & Customer Service			
Ian O'Donnell	Executive Director of Corporate Resources			

Helen Harris	Head of Legal and Democratic Services	20-02-2017	20-20-2017	
Ross Brown	Director of Finance	15-02-2017	15-02-2017	
Maria Campagna	Strategic Finance Partner – Corporate	15-02-2017	15-02-2017	