



Report for: Information
Item Number: 7

Contains Confidential or Exempt Information	NO
Title	KPMG Annual Grants and Returns Report 2017/18 and audit conclusion
Responsible Officer	Ross Brown, Chief Finance Officer
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Portfolio	Cllr Bassam Mahfouz – Finance & Leisure Services
For Consideration By	Audit Committee
Date to be considered	06 March 2019
Implementation Date if Not Called In	N/A
Affected Wards	All
Keywords/Index	Audit, Control, KPMG

Purpose of Report:

KPMG's Annual Grants and Returns Report 2017/18 presents the outcome of their audit work.

KPMG are not in attendance at this meeting.

1. Recommendations

- 1.1 It is recommended that the Audit Committee note KPMG's Annual Grants and Returns Report 2017/18 and, that the final audit certificates in respect of 2016/17 and 2017/18 are due to be issued within the next two weeks.

2. Reason for Decision and Options Considered

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

3. Key Implications

- 3.1 KPMG have audited three 2017/18 grant claims:

- Housing Benefit subsidy claim;
- Pooling of Capital Receipts return; and
- Teachers' Pension return.

- 3.2 The outcome of the audit is set out in KPMG's Annual Report on Grants and Returns 2017/18 which is attached to this report as Appendix 1.

- 3.3 KPMG have issued an unqualified certificate for the Housing Benefits subsidy claim for the second successive year.
- 3.4 KPMG's 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. On both the Teachers' Pension Return and Pooling of Housing Capital Receipts Return they reported minor issues arising from the work they performed.
- 3.5 KMPG have raised no recommendations as a result of the audit.
- 3.6 KPMG are in the final stages of concluding their 2017/18 audit work and due to issue their final decision regarding the objection raised by a local elector. The decision has been found in the council's favour and they are due to issue the final audit certificates in respect of the 2016/17 and 2017/18 statements of accounts within the next two weeks.

4. Financial implications

- 4.1 The costs of the audit are set out at page 6 of KPMG's Report at Appendix 1. They cover the Housing Benefit Subsidy audit at a cost of £27,321, the Teachers' Pension Return at £3,500 and the Pooling of Housing Capital Receipts at £3,000; £33,821 in total. The total costs for 2016/17 were £28,080.

5. Legal

- 5.1 The Council has a duty to comply with the various Local Government Acts and Accountancy Regulations to ensure that its financial stewardship meets the appropriate legal requirements.

6. Value for Money

- 6.1 KPMG 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 Annual Audit Letter (presented to Audit Committee in November 2018) comments that the council's financial resilience was a significant risk and reviewed the actions taken in setting the 2018/19 budget including arrangements to deliver savings.

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 core value of 'delivery of national and local priorities'.

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 None

12. Property and Assets

12.1 None

13. Any other implications

13.1 None

14. Consultation

14.1 As per the table below.

15. Timetable for Implementation

15.1 None

16. Appendices

Appendix 1: KPMG Annual Report on Grant Claims and Returns 2017/18

17. Background Information

None

Consultation

Name of consultee	Post held	Date sent to consultee	Date response received	Comments appear in paragraph:
Internal				
Ross Brown	Chief Finance Officer	21/2/2019		Throughout
Helen Harris	Director of Legal and Democratic	21/2/2019	22/2/2019	Paragraph 5
Maria Campagna	Head of Corporate Finance	21/2/2019	22/2/2019	Throughout
Cllr Bassam Mahfouz	Finance & Leisure Service			Throughout