



Annual Report on grants and returns 2016/17

Royal Borough of Windsor & Maidenhead

—

February 2018

Contents

**The contacts at KPMG
in connection with this
report are:**

**Darren Gilbert
Director**

Tel: +44 (0)2920 468205
darren.gilbert@kpmg.co.uk

**Duncan Laird
Senior Manager**

Tel: +44 (0)117 905 4253
duncan.laird@kpmg.co.uk

	Page
Headlines	3
Summary of certification work outcomes	4
Fees	6
Recommendations	7

This report is addressed to the Authority and has been prepared for the sole use of the Authority. We take no responsibility to any member of staff acting in their individual capacities, or to third parties. Public Sector Audit Appointments issued a document entitled Statement of Responsibilities of Auditors and Audited Bodies summarising where the responsibilities of auditors begin and end and what is expected from audited bodies. We draw your attention to this document which is available on Public Sector Audit Appointment's website (www.psaa.co.uk).

External auditors do not act as a substitute for the audited body's own responsibility for putting in place proper arrangements to ensure that public business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively.

We are committed to providing you with a high quality service. If you have any concerns or are dissatisfied with any part of KPMG's work, in the first instance you should contact Darren Gilbert, the engagement lead to the Authority, who will try to resolve your complaint. If you are dissatisfied with your response please contact the national lead partner for all of KPMG's work under our contract with Public Sector Audit Appointments Limited, Andrew Sayers (andrew.sayers@kpmg.co.uk). After this, in relation to the certification of the Housing Benefit Subsidy grant claim, if you are still dissatisfied with how your complaint has been handled you can access PSAA's complaints procedure by emailing generalenquiries@psaa.co.uk, by telephoning 020 7072 7445 or by writing to Public Sector Audit Appointments Limited, 3rd Floor, Local Government House, Smith Square, London, SW1P 3HZ.

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 certification arrangements, as well as the work we have completed on other grants/returns under separate engagement terms. The work completed in 2016/17 is:

- Under the Public Sector Audit Appointments arrangements we certified one claim – the Council's 2016/17 Housing Benefit Subsidy claim. This had a value of £35.5 million.
- Under separate engagements we issued reports on two claims/returns as listed below.
 - Teachers' Pensions Return; and
 - National College of Teaching and Leadership (NCTL) Annual Grant Report and Initial Teacher Training Annual Accounts.

Certification and assurance results (Pages 3-4)

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 subject to a qualification letter for differences in the in year reconciliation cells.

Our work on the other grant assurance engagements resulted in unqualified certification reports.

No adjustments were necessary to the Council's grants and returns as a result of our certification work this year.

The overall level of errors identified in 2015/16 across all claims was lower than in previous years.

Recommendations (Pages 7 – 8)

We have made one recommendation to the Council from our work this year. There were no recommendations made in 2015/16.

Fees (Page 5)

Our fee for certifying the Council's 2016/17 Housing Benefit Subsidy grant was £11,648, which is in line with the indicative fee set by PSAA.

Our fees for the other grant/return engagements were subject to agreement directly with the Council and were:

- £3,000 for the certification of the Teachers' Pensions Return; and
- £5,000 for the review of the NCTL Annual Grant Report and Initial Teacher Training Annual Accounts.

Summary of reporting outcomes

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

- **Two were unqualified with no amendment; and**
- **One required a qualification to our audit certificate.**

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
Public Sector Audit Appointments regime					
— Housing Benefit Subsidy	1		-	-	-
Other grant/return engagements		-	-	-	-
— Teachers' Pension Return		-	-	-	
— National College of Teaching and Leadership Annual Grant Report and Initial Teacher Training Annual Accounts		-	-	-	
		1	0	0	2

Summary of certification work outcomes

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

Ref	Summary observations	Amendment
1	Housing Benefit Subsidy claim — The total Rent Allowance awarded per cell 094 of the subsidy claim was £13,869 different to the figure in the in year reconciliation cell 130. This is due to DWP Error Overpayment acceptable imbalances. This is a minor issue that the Council decided not to adjust the claim for so was required to be reported in a qualification letter. Similar findings have been included in our qualification letters in previous years.	-

Fees

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

Our fees for other assurance engagements on grants/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 £19,648.

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 £11,648. Our actual fee was the same as the indicative fee, and this compares to the 2015/16 fee for this claim of £13,439.

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	11,648	13,439
Teachers' Pensions Return	3,000	3,000
NCTL Annual Grant Report	5,000	5,000
Total fee	19,648	21,439

Recommendations

We have given each recommendation a risk rating and agreed what action management will need to take.

Priority rating for recommendations					
1	Issues that are fundamental and material to your overall arrangements for managing grants and returns or compliance with scheme requirements. We believe that these issues might mean that you do not meet a grant scheme requirement or reduce (mitigate) a risk.	2	Issues that have an important effect on your arrangements for managing grants and returns or complying with scheme requirements, but do not need immediate action. You may still meet scheme requirements in full or in part or reduce (mitigate) a risk adequately but the weakness remains in the system.	3	Issues that would, if corrected, improve your arrangements for managing grants and returns or compliance with scheme requirements in general, but are not vital to the overall system. These are generally issues of best practice that we feel would benefit you if you introduced them.

Issue	Implication	Recommendation	Priority	Comment	Responsible officer and target date
Funding agreement documentation					
The Council was not able to provide a copy of the signed Grant Funding Agreement with NCTL.	The Grant Funding Agreement issued by NCTL provides information on what grants have been given to the Provider, the terms and conditions under which the grant can be spent, and the purpose for which the grant funding for 2016/17 can be spent. Without a copy available, it is not possible to identify any conditions attached to the funding or confirm that they have been complied with.	Obtain a copy of the Grant Funding Agreement in place to evidence the terms and conditions associated with the grant funding received.	3		



kpmg.com/uk



© 2018 KPMG LLP, a UK limited liability partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. All rights reserved.

The KPMG name and logo are registered trademarks or trademarks of KPMG International.