



cutting through complexity

KPMG Annual Report on grants and returns work 2014/15

Royal Borough of Windsor & Maidenhead

February 2016

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in connection with this
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<p>Introduction and background</p>	<p>This report summarises the results of work we have carried out on the Council’s 2014/15 grant claims and returns.</p> <p>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 for 2014/15 is:</p> <ul style="list-style-type: none"> ■ Under the Public Sector Audit Appointment arrangements we certified one claim – the Council’s 2014/15 Housing Benefit Subsidy claim. This had a value of £35.8 million. ■ Under separate assurance engagements we certified the Teachers’ Pensions Return and National College for Teaching and Leadership (NCTL) Annual Grant Report and Initial Teacher Training (ITT) Annual Accounts. 	<p>-</p>
<p>Certification results</p>	<p>Our certificate on the Council’s Housing Benefit Subsidy claim was qualified and resulted in a letter to the Department for Work & Pensions (DWP).</p> <p>Our work on the Teachers’ Pensions Return and NCTL Annual Grant Report and ITT Annual Accounts resulted in unqualified certificates.</p>	<p>Pages 3 – 4</p>
<p>Audit adjustments</p>	<p>One adjustment was necessary to the Council’s Housing Benefit Subsidy as a result of our certification work this year.</p> <ul style="list-style-type: none"> ■ Testing of Rent Allowance cases identified an error in how claimant income had been calculated. Following testing of additional cases, an extrapolated error of £7,310 across the whole population was calculated and an amendment made to the claim to reduce the figure for expenditure on regulated tenancies and increase Local Authority error overpayments. The impact of this was a reduction in the amount of subsidy received of £7,310. <p>Adjustments to the Council’s Teachers’ Pensions Return and NCTL Annual Grant Report and ITT Annual Accounts were minor and did not affect the amounts due to or to be paid by the Council.</p>	<p>Pages 3 – 4</p>
<p>Fees</p>	<p>The indicative fee for our work on the Council’s 2014/15 Housing Benefit Subsidy was set by Public Sector Audit Appointments at £15,530. The actual fee for this work was £15,530.</p> <p>Our fees for the other ‘assurance’ engagements were subject to agreement directly with the Council and were:</p> <ul style="list-style-type: none"> ■ £3,000 for the certification of the Teachers’ Pension Return. ■ £5,000 for the certification of the NCTL Annual Grant Report and ITT Annual Accounts. 	<p>Page 5</p>

Summary of reporting outcomes

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

- two were unqualified but required some amendment to the final figures; 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 2014/15 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 arrangements					
■ Housing Benefit Subsidy	1				
Other assurance engagements					
■ Teachers' Pensions Return					
■ National College for Teaching and Leadership Annual Grant Report and Initial Teacher Training Annual Accounts					
		1	0	3	2

The adjustments to the Council's Teachers' Pensions Return and NCTL Annual Grant Report and ITT Annual Accounts were minor and did not affect the amounts due to or to be paid by the Council.

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	<p>Housing Benefit Subsidy</p> <ul style="list-style-type: none"> ■ The Authority assesses a proportion of its claims under a Risk Based Verification policy. However, our testing identified that, contrary to requirements, the Authority had not submitted the policy for Members' approval and sign-off along with a covering report confirming the Section 151 Officer's agreement/recommendation. The Authority has since presented its RBV policy to Members and the policy was approved on 24 September 2015. ■ We also identified that the Authority had deviated from the claim reconciliation methodology recommended by the Authority's benefits software supplier and had not run all the required reports before compiling the claim. A similar issue was identified in 2013/14 and our recommendation has been reiterated on page 6. ■ Sample testing of Rent Allowance cases identified an error in how claimant income had been calculated. Following testing of additional cases, an extrapolated error of £7,310 across the whole population was calculated and an amendment made to the claim to reduce the figure for expenditure on regulated tenancies and increase Local Authority error overpayments. The impact of this was a reduction in the amount of subsidy received of £7,310. This issue has not been identified in previous years. 	<p>-</p> <p>-</p> <p>- £7,310</p>

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 2014/15 was £23,530.

Breakdown of fees for grants and returns work

Breakdown of fee by grant/return		
	2014/15 (£)	2013/14 (£)
Housing Benefit Subsidy claim	15,530	17,918
Teachers' Pensions Return	3,000	3,000
NCTL Annual Grant Report and ITT Annual Accounts	5,000	5,000
Total fee	23,530	25,918

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 2014/15 of £15,530. Our actual fee was the same as the indicative fee, and this compares to the 2013/14 fee for this claim of £17,918.

Grants subject to other assurance engagements

The fees for our assurance work on other grants/returns are agreed directly with the Council. Our fees for 2014/15 were the same as those in 2013/14.

Prior year recommendations

We made two recommendations in our 2014/15 Certification of Grants and Returns Annual Report. Where recommendations have not yet been implemented fully we have detailed their current status below.

Prior year recommendation	Priority	Status as at February 2016	Management comments
Claim compilation			
<p>1 The Authority should ensure that it follows the claim reconciliation methodology recommended by the software supplier.</p>	<p>2</p>	<p>In compiling the 2014/15 subsidy claim, the Authority varied the software supplier's reconciliation process and did not run batch program HB9753 before compiling the HB claim.</p>	<p>After this issue was highlighted in the 2013-14 audit the officer responsible for compiling the claim was sent on Capita's subsidy claim training. During the claim completion process unfortunately, one batch programme was not run. We were however able to do a manual calculation using live data held in our test environment which demonstrated to the auditors there was only minor movement in the subsidy cells. For the 2015/16 subsidy return we are sending two officers on the training and they will work together on the 2015/16 claim.</p>



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