



Annual Report on grant claims and returns 2015/16

London Borough of Islington

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Contents

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in connection with this
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	Page
Headlines	3
Summary of certification work outcomes	4
Fees	6

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Headlines

Introduction and background

This report summarises the results of work we have carried out on the Council's 2015/16 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 returns under separate engagement terms. The work completed in 2015/16 is:

- Under the Public Sector Audit Appointments arrangements we certified the Council's 2015/16 Housing Benefit Subsidy claim.
- Under separate assurance engagements we certified two returns as listed below.
 - Teachers' Pension Return; and
 - Pooling of Housing Capital Receipts.

Certification and assurance results (Pages 3-4)

Our certification work on Housing Benefit Subsidy 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, we are pleased to report that no amendments were required and the claim has been certified as unqualified.

This was an improvement on 2014/15 where there were four errors identified as part of our sample testing of 60 cases that resulted in 40+ testing being undertaken on one cell.

Our work on the other grant assurance engagements resulted in unqualified assurance reports for both the Teachers' Pension return and Pooling of Housing Capital Receipts Return with no amendments identified.

Recommendations

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

There were three recommendations from previous years' work on grants and returns which were all implemented.

Fees (Page 5)

Our fee for certifying the Council's 2015/16 Housing Benefit Subsidy claim was £24,912, which is in line with the indicative fee set by PSAA.

Our fees for the other 'assurance' engagements were subject to agreement directly with the Council and totalled £6,000.

Annual report on grant claims and returns 2015/16




Summary of reporting outcomes

Overall, we carried out work on three grant claims and returns. All three were certified unqualified without amendment.

Detailed comments are provided overleaf.

Detailed below is a summary of the reporting outcomes from our work on the Council's 2015/16 grant claims 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 is appropriate.

	Comments overleaf	Qualified	Significant adjustment	Minor adjustment	Unqualified
Public Sector Audit Appointments regime					
— Housing Benefit Subsidy	1				
Other assurance engagements					
— Teachers' Pension Return	2				
— Pooling of Housing Capital Receipts Return	3				
		0	0	0	3

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	<p>Housing Benefit Subsidy Claim</p> <p>Our initial testing of 60 cases did not identified any errors and no amendments to the claim were required. This is an improvement on the results of our 2014/15 audit where we identified four errors were identified in relation to non-HRA rent rebates that resulted in 40+ testing being completed.</p>	No amendments required.
2	<p>Teachers' Pension Return</p> <p>The return was submitted to KPMG by the deadline. Working papers provided to support the claim were of a good quality and no amendments were required. The claim was therefore certified in advance of the deadline set by the TPA.</p> <p>This is a significant improvement on 2015/16 when the claim was subject to amendment in relation to refunds that required a significant amount of work for management time to identify the correct figure and resulted in the claim being submitted after the TPA's deadline.</p>	No amendments required.
3	<p>Pooling of Housing Capital Receipts</p> <p>The return was submitted to KPMG by the deadline. Working papers provided to support the claim were of a good quality and no amendments were required. The claim was therefore certified in advance of the deadline set by the CLG. This is an improvement on 2014/15 where the claim was subject to a minor amendment of £6k.</p>	No amendments required.

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 grant claims and returns in 2015/16 was £30,912.

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 2015/16 of £24,912. Our actual fee was the same as the indicative fee, and this compares to the 2014/15 fee for this claim of £33,000.

Grants subject to other assurance engagements

The fees for our assurance work on other returns are agreed directly with the Council. Our fees for 2015/16 were in line with those in 2014/15.

Breakdown of fees for grants and returns work

Breakdown of fee by grant claim and returns		
	2015/16 (£)	2014/15 (£)
Housing Benefit Subsidy claim	24,912	33,300
Teachers' Pension Return	3,000	3,000
Pooling of Housing Capital Receipts	3,000	3,000
Total fee	30,912	39,300



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