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Dear Mike

Certification of claims and returns - annual report 2013/14

The Audit Commission requires its external auditors to prepare an annual report on the claims and returns it certifies for each client under the Audit Committee regime. This letter is our annual report for the certification work we have undertaken for 2013/14.

In 2013/14 we carried out certification work on the following claims and returns:

Claim/return	Certified value (£)
BEN01 – Housing Benefit subsidy claim	208,447,762
CFB06 – Pooling of Housing Capital Receipts return	20,388,200
Total	228,835,962

Matters arising

Our certification work did not identify any issues or errors with the Pooling of Housing Capital Receipts return on which we issued an unqualified certificate with no amendments made to the return.

For the Housing Benefit subsidy claim, our testing of the initial 60 cases in accordance with certification instructions identified five errors. Two of these errors related to underpayments of subsidy and as per certification instructions no further work is undertaken in relation to these. The other three errors related to the following and resulted in 40+ testing on the following:

- *A case where the Authority had overpaid benefit as a result of the claimant's Pension Credit Assessed Income not being updated correctly. Our additional sample did not identify any further errors of this kind.*
- *A case where part of an overpayment was incorrectly classified as an eligible overpayment when it should have been classified as local authority error. Our additional sample identified five further cases where some or all of the eligible overpayment should have been classified as local authority error.*

- *A case where the rent recorded on the Council's Housing Benefit system did not agree to supporting documentation from the social housing provider. This resulted in an over award of benefit. Our additional sample did not identify any further errors of this kind although it did identify two cases where claimants were underpaid.*

As a result of our testing we qualified the Housing Benefit Subsidy claim.

Certification work fees

The Audit Commission set an indicative fee for our certification work of £33,648 for the work required for 2013/14. Our actual fee was the same as the indicative fee. The 2012/13 certification programme included claims not subject to certification in 2013/14 and was £52,030.

The details are set out in the table below and show a comparison by claim. The BEN01 claim fee reduction is a result of the abolition of Council Tax benefit in 2012/13 (and thus a reduction in the amount of testing we were required to complete in accordance with certification instructions).

Claim	2013/14 Indicative fee (£)	2013/14 Final fee (£)	2012/13 Final fee (£)
BEN01 – Housing Benefit subsidy claim	33,216	33,216	43,980
CFB06 – Pooling of Housing Capital Receipts	432	432	500
Total	33,648	33,648	44,480

Yours sincerely



Philip Johnstone
Director

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. The Audit Commission has issued a document entitled Statement of Responsibilities of Auditors and Audited Bodies. This summarises where the responsibilities of auditors begin and end and what is expected from the audited body. We draw your attention to this document.

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.

If you have any concerns or are dissatisfied with any part of KPMG's work, in the first instance you should contact Philip Johnstone, who is the engagement leader to the Authority (telephone 0116 256 6067, e-mail philip.johnstone@kpmg.co.uk) who will try to resolve your complaint. If you are dissatisfied with your response please contact Trevor Rees (telephone 0161 236 4000, e-mail trevor.rees@kpmg.co.uk) who is the national contact partner for all of KPMG's work with the Audit Commission. After this, if you are still dissatisfied with how your complaint has been handled you can access the Audit Commission's complaints procedure. Put your complaint in writing to the Complaints Unit Manager, Audit Commission, 3rd Floor, Fry Building, 2 Marsham Street, London, SW1P 4DF or by email to complaints@audit-commission.gsi.gov.uk. Their telephone number is 0303 444 8330.