Annual Report on grants and returns 2015/16

London Borough of Barking and Dagenham

3 January 2017
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External auditors do not act as a substitue 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 Phil Johnstone, 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 PSA's complaints procedure by emailing generalenquiries@psa.gov.uk, by telephoning 020 7072 7445 or by writing to Public Sector Audit Appointments Limited, 3rd Floor, Local Government House, Smith Square, London, SW1P 3NE.
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 grants/returns under separate engagement terms. The work completed in 2015/16 is:

- Under the Public Sector Audit Appointments arrangements we certified one claim – the Council’s 2015/16 Housing Benefit Subsidy claim. This had a value of £142.3 million
- Under separate assurance engagements we certified 3 claims/returns as listed below.
  - Pooling of Capital Receipts Return, with a value of £21.0 million
  - Teachers’ Pension Agency Return, with a value of £76.9 million
  - Decent Homes Grant Return, with a value of £15.5 million

Certification and assurance results (Pages 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 unqualified. This result is consistent with the prior year.

Our work on the other grant assurance engagements resulted in the following reports:

- An unqualified report on the Pooling of Capital Receipts Return
- An unqualified report on the Teachers Pension Agency Return
- An unqualified report on the Decent Homes Grant Return

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

Recommendations

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

In addition there were no recommendations outstanding from previous years’ work on grants and returns.

Fees (Page 5)

Our fee for certifying the Council’s 2015/16 Housing Benefit Subsidy grant was £34,358, 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 were £17,000.
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Summary of reporting outcomes

Overall, we carried out work on 4 grants and returns:
- 4 were unqualified with no amendment

Detailed below is a summary of the reporting outcomes from our work on the Council’s 2015/16 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.

<table>
<thead>
<tr>
<th>Comments overleaf</th>
<th>Qualified</th>
<th>Significant adjustment</th>
<th>Minor adjustment</th>
<th>Unqualified</th>
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<tr>
<td>Public Sector Audit Appointments regime</td>
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<tr>
<td>- Housing Benefit Subsidy</td>
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<tr>
<td>Other assurance engagements</td>
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<td>- Pooling of Capital Receipts Return</td>
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<td>- Teachers Pensions Agency Return</td>
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<td>- Decent Homes Grant Return</td>
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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 2015/16 was £51,358.

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 £34,358. Our actual fee was the same as the indicative fee, and this compares to the 2014/15 fee for this claim of £30,380.

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 2015/16 were increased from those in 2014/15 for the Pooling of Capital Receipts Return and Teachers Pensions Agency Return. The fee for the Decent Homes grant was new this year.

Breakdown of fees for grants and returns work

<table>
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<tr>
<th>Breakdown of fee by grant/return</th>
<th>2015/16 (£)</th>
<th>2014/15 (£)</th>
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<tr>
<td>Housing Benefit Subsidy claim</td>
<td>34,358</td>
<td>30,380</td>
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<tr>
<td>Pooling of Capital Receipts Return</td>
<td>3,500</td>
<td>3,500</td>
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<tr>
<td>Teachers Pensions Agency Return</td>
<td>3,500</td>
<td>3,500</td>
</tr>
<tr>
<td>Decent Homes Grant</td>
<td>10,000</td>
<td>0</td>
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<td><strong>Total fee</strong></td>
<td><strong>51,358</strong></td>
<td><strong>37,380</strong></td>
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