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KPMG Annual Report on grants and returns work 2014/15

London Borough of Hammersmith and Fulham

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The contacts at KPMG in connection with this report are:

Andy Sayers
Partner

Tel: 020 7694 8981
andrew.sayers@kpmg.co.uk

Sally-Anne Eldridge
Senior Manager

Tel: 020 7311 2146
sally-anne.eldridge@kpmg.co.uk

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Introduction and background	<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 in 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 £150,677,749. ■ Under separate assurance engagements we certified two returns as listed below. <ul style="list-style-type: none"> – Pooling of Housing Capital Receipts return (value £17,091,146); and – Teachers' Pensions EOYCa return (value £7,115,530). 	
Certification results	<p>Our work on the Council's Housing Benefit Subsidy claim was unqualified.</p> <p>We amended the Council's initial claim, however did not identify any qualification issues.</p> <p>Our work on the other grant assurance engagements resulted in the following reports:</p> <ul style="list-style-type: none"> ■ Pooling of Housing Capital Receipts return – no issues raised; ■ Teacher's Pensions EOYCa return – no issues raised, with two small adjustments required. 	Page 3
Audit adjustments	<p>Three adjustments were necessary to the Council's 2014/15 Housing Benefit Subsidy claim as a result of our certification work this year:</p> <ul style="list-style-type: none"> ■ A £33.5k adjustment in respect of easement cases; ■ A £1k adjustment in respect of incorrect student income; and ■ A £4k amendment in respect of over-claimed overpayments. <p>Two minor adjustments were necessary to the Council's 2014/15 Teachers' Pensions EOYCa return as a result of our certification work and no adjustments were necessary to the Council's Pooling of Housing Capital Receipts return.</p>	Page 3
Fees	<p>The indicative fee for our work on the Council's 2014/15 Housing Benefit Subsidy was set by Public Sector Audit Appointments at £31,270. The actual fee for this work was in line with the indicative fee.</p> <p>Our fees for the other 'assurance' engagements were subject to agreement with the Council and were:</p> <ul style="list-style-type: none"> ■ Pooling of Housing Capital Receipts return – £3,500 + VAT; ■ Teacher's Pensions EOYCa return – £3,500 + VAT. 	Page 4

Summary of certification work outcomes

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

- one was unqualified with no amendment; and
- two were unqualified but required some amendment to the final figures.

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	Qualified	Significant adjustment	Minor adjustment	Unqualified
Public Sector Audit Appointments arrangements					
■ Housing Benefit Subsidy	1	x3			
Other assurance engagements					
■ Pooling of Housing Capital Receipts		1			
■ Teachers' Pensions	2	2			
		0	0	2	1

The table below summarises the key issues behind each of the adjustments or qualifications that were identified:

Ref	Summary observations	Amendment
1	Housing Benefits Subsidy Claim: Three adjustments were noted in relation to easement cases (£33.5K); incorrect student income (£1k); and over-claimed overpayments (£4k). These were subsequently corrected by management and as such we were able to certify the claim without an accompanying qualification letter.	£38k
2	Teachers' Pensions EOYCa Return: Two adjustments to the return were noted. Firstly, total contributory salary was understated by £39.5k due to two employees being excluded from calculations, this also impacted the total employee and employer contributions stated on the return. The second adjustment was a £0.6k overstatement of both employee and employer refunds, which when investigated was found to be an arrears payment and thus outside the scope of the Teachers' Pensions return.	£40k

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 with the Council.

The overall fees we charged for carrying out all our work on claims and returns in 2014/15 was £38,270.

Breakdown of fees for grants and returns work

Breakdown of fee by grant/return		
	2014/15 (£)	2013/14 (£)
Housing Benefit Subsidy claim	31,270	31,674
Pooling of Housing Capital Receipts	3,500	2,812
Teachers' Pensions EOYCa	3,500	3,500
Total fee	38,270	37,986

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 £31,270. Our actual fee was the same as the indicative fee, and this compares to the 2013/14 fee for this claim of £31,674.

Grants subject to other assurance engagements

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



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