

Report of the Executive Manager - Finance and Corporate Services

1. Summary

- 1.1 The report from KPMG summarises the work undertaken during 2017/18 in relation to grant claims and returns for the financial year 2016/17.

2. Recommendation

It is RECOMMENDED that the Corporate Governance Group accept the report.

3. Reasons for Recommendation

- 3.1 To conform with best audit practice, good governance and the requirements of the Council's external auditors.

4. Supporting Information

- 4.1 The attached report summarises the results of the audit of the Housing Benefit Subsidy Claim 2016/17 and the resultant costs of the audit. The audit identified two errors (summarised in KPMG's attached report) which were all amended within the claim. Overall, the claim was unqualified and KPMG made no recommendations to improve the claims completion process. The actual fee was the same as the indicative fee of £6,495 for 2016/17.

5. Other Options Considered

- 5.1 Not Applicable

6. Risk and Uncertainties

- 6.1 If recommendations are not acted upon there is a risk internal controls are weakened and the risk materialises.

7. Implications

7.1 Finance

Financial implications are covered in paragraph 4.1.

7.2 Legal

None

7.3 Corporate Priorities

Not applicable

7.4 Other Implications

None

For more information contact:	Nigel Carter Service Manager – Finance and Commercial 0115 914 8340 ncarter@rushcliffe.gov.uk
Background papers Available for Inspection:	None
List of appendices (if any):	Appendix A - KPMG's annual report



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Private & confidential

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Our ref AB/RBC/Grants

Contact Andrew Bush

22 January 2018

Dear Peter

Rushcliffe Borough Council - Certification of claims and returns - annual report 2016/17

Public Sector Audit Appointments requires its external auditors to prepare an annual report on the claims and returns certified for each audited body. This letter is our annual report for the certification work we have undertaken for 2016/17.

In 2016/17 we carried out certification work on only one claim/return, the Housing Benefit Subsidy claim. The certified value of the claim was £17.4 million, and we completed our work and certified the claim on 01 December 2017.

Matters arising

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.



Our work identified two errors:

In our initial sample of 20 cases relating to Rent Allowance benefits granted, we identified one error (total value £2) where benefit had been underpaid as a result of Working Tax Credit income being incorrectly entered. Testing of an additional sample of 40 cases identified no additional errors.

In our initial sample of 20 cases relating to Non HRA Rent Rebates expenditure, we identified 1 case where the expenditure had been incorrectly split between 2 cells (£8.25 error). We were able to undertake a 100% testing over the respective sub-population where no further errors were identified. The initial error was amended on the claim.

We have made no recommendations to the Council to improve its claims completion process. There were no recommendations made last year and there are no further matters to report to you regarding our certification work.

We have made no recommendations to the Council to improve its claims completion process for this year, and we did not raise any recommendations in the previous year.

Certification work fees

Public Sector Audit Appointments set an indicative fee for our certification work in 2016/17 of £6,495. Our actual fee was the same as the indicative fee, and this compares to the 2015/16 fee for this claim of £6,898.

Yours sincerely

Andrew Bush
Engagement Lead



This report is addressed to the Council and has been prepared for the sole use of the Council. We take no responsibility to any member of staff acting in their individual capacities, or to third parties. We draw your attention to the Statement of Responsibilities of auditors and audited bodies, which is available on Public Sector Audit Appointment's website (www.psaa.co.uk).

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.

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 Andrew Bush, 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, by email to andrew.sayers@kpmg.co.uk. After this, if you are still dissatisfied with how your complaint has been handled you can access PSAA's complaints procedure by emailing generalenquiries@psaa.co.uk, by telephoning 020 7072 7445 or by writing to Public Sector Audit Appointments Limited, 3rd Floor, Local Government House, Smith Square, London, SW1P 3HZ.