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# KPMG Annual Report on grants and returns work 2014/15

Wiltshire Council

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<p><b>Introduction and background</b></p>	<p><b>This report summarises the results of work we have carried out on the Council’s 2014/15 grant claims and returns.</b></p> <p><b>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:</b></p> <ul style="list-style-type: none"> <li>■ 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 £118 million.</li> <li>■ Under separate assurance engagements we certified two returns as listed below. <ul style="list-style-type: none"> <li>– Teachers’ Pension Contributions for the year ended 31 March 2015 with a value of £18 million; and</li> <li>– Pooling of Housing Capital Receipts 2014/15 with a value of £3 million.</li> </ul> </li> </ul>	<p>-</p>
<p><b>Certification results</b></p>	<p><b>Our work on the Council’s Housing Benefit Subsidy claim was subject to a qualification letter.</b></p> <ul style="list-style-type: none"> <li>■ The authority incorrectly recorded income and rental figures as well as rent free periods when calculating benefit entitlement. These errors resulted in both under and overpayments during the year; and</li> <li>■ We identified a number of errors in relation to the identification and classification of overpayments resulting in errors in the level of subsidy being claimed.</li> <li>■ We identified similar issues in relation to the recording of income and the classification of overpayments in the prior year. No such errors had been identified in prior years in relation to rental values and rent free weeks however. The overall volume of errors was higher than the prior year, although from the samples used we are unable to state whether the error rate in the overall population has changed.</li> </ul> <p><b>Our work on the other grant assurance engagements resulted in the following reports:</b></p> <ul style="list-style-type: none"> <li>■ We issued reasonable assurance reports in relation to both the Teachers’ Pension Contributions and Pooling of Housing Capital Receipts returns with no issues being reported.</li> </ul>	<p><b>Pages 3 – 4</b></p>
<p><b>Audit adjustments</b></p>	<p><b>Adjustments were necessary to each the Council’s grants and returns as a result of our certification work this year.</b></p> <ul style="list-style-type: none"> <li>■ In relation to the Housing Benefit Subsidy claim adjustments were required for two properties which had been disclosed in the wrong tenancy type and to remove an isolated claim where no evidence could be found to support the entitlement calculation. As a result of this the total value of the claim increased by £46; and</li> <li>■ Corrections were made to the Teachers’ Pension Contributions Return to correctly disclose Additional Pension Payments and Additional Pension Contributions made during the year. There was no impact on the overall value of the return.</li> <li>■ Adjustments were required to the Pooling of Housing Capital Receipts Return in order to correctly separate out receipts relating to sales made prior to 1 April 2012 and ensure that the entries agreed to supporting records. This increased the overall value of the return by £10,674.</li> </ul>	<p><b>Pages 3 – 4</b></p>

## Summary of reporting outcomes

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

- two were unqualified but required some amendment to the final figures; and
- one required a qualification to our audit certificate.

Detailed comments are provided overleaf.

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 overleaf	Qualified	Significant adjustment	Minor adjustment	Unqualified
<b>Public Sector Audit Appointments arrangements</b>					
■ Housing Benefit Subsidy	1				
<b>Other assurance engagements</b>					
■ Teacher's Pension Contributions	2				
■ Pooling of Housing Capital Receipts	3				
		1	-	2	2

## 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><b>Housing Benefits Subsidy</b></p> <ul style="list-style-type: none"> <li>We identified 39 errors (from a sample of 260 claims) in relation to the recording of income and rental figures as well as rent free periods. These resulting in both under and overpayments of benefits; and</li> <li>We also identified 50 inaccuracies (from a sample of 180 claims) in relation to the identification and classification of overpayments resulting in errors in the level of subsidy being claimed.</li> <li>Whilst the number of errors identified may appear relatively high, representing 20% of the overall sample, the average value of the errors was only £22 per claim compared to average claim values of £1,535. No adjustments were made to the claim in relation to these errors.</li> <li>Adjustments were required for two properties which had been disclosed in the wrong tenancy type and to remove an isolated claim where no evidence could be found to support the entitlement calculation.</li> </ul>	+ £46
2	<p><b>Teachers' Pension Contributions</b></p> <ul style="list-style-type: none"> <li>Corrections were made to the Teachers' Pension Contributions Return to correctly disclose Additional Pension Payments and Additional Pension Contributions made during the year. These entries had initially been reversed when compiling the return.</li> </ul>	No Overall Impact
3	<p><b>Pooling of Housing Capital Receipts</b></p> <ul style="list-style-type: none"> <li>We identified one instance where the entries made on the draft return varies from the Authority's records resulting in an understatement of receipts by £10,674.</li> <li>Further adjustments were required in order to correctly separate our receipts relating to sales made prior to 1 April 2012.</li> </ul>	+ £10, 674

## Fees

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 2014/15 was £34,220.

### Breakdown of fees for grants and returns work

Breakdown of fee by grant/return	
	2014/15 (£)
Housing Benefit Subsidy claim	28,220
Teachers' Pension Contributions	3,000
Pooling of Housing Capital Receipts	3,000
<b>Total fee</b>	<b>34,220</b>

### 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 £28,220. Our actual fee was the same as the indicative fee, and this compares to the 2013/14 fee for this claim of £23,006.

### Grants subject to other assurance engagements

The fees for our assurance work on other grants/returns are agreed directly with the Council. For the Teachers' Pension Contributions, our fees for 2014/15 were in line with the fees charges in 2013/14 subject to inflationary increases.

The Pooling of Housing of Capital Receipts was previously included within the PSAA regime and as a result was not subject to a separate fee.



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