

AGENDA SUPPLEMENT



- Committee - **GOVERNANCE AND AUDIT COMMITTEE**
- Date & Time - Thursday, 17 January 2019 at 4.30 pm
- Venue - Meeting Room 1, Council Offices, Priory Road, Spalding

Membership of the Governance and Audit Committee:

Councillors: G R Aley (Chairman), D Ashby, J R Astill (Vice-Chairman), C J T H Brewis, P C Foyster, A Harrison and M D Seymour

Quorum 3.

Persons attending the meeting are requested to turn off mobile telephones

Democratic Services
Council Offices, Priory Road
Spalding, Lincs PE11 2XE

Date: 17 January 2019

AGENDA

**PLEASE NOTE TIMINGS
ARE APPROXIMATE**

TIME

4.45 pm	5. Grant Claims 2017/18 - A letter to be received from KPMG reporting on the grants that they have audited.	(Pages 113 - 116)
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Private & confidential

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Our ref KPMG/SHDCBEN01

Contact Andy Cardoza

08 January 2019

Dear Christine

South Holland District Council - Certification of claims and returns - annual report 2017/18

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 2017/18.

In 2017/18 we carried out certification work on only one claim or return, the Housing Benefit Subsidy claim. The certified value of the claim was £17 million, and we completed our work and certified the claim on 12 November 2018.

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 certification work identified a number of errors in the original claim. Where the error can be quantified by testing 100% of the population of potentially affected cases the claim can be amended. Where the population is too large for 100% testing to be practical we need to write a qualification letter to explain what we found. The errors we found and the way they were dealt with are set out below:

Qualification Letter

We found a small number of errors in our Rent Rebates and Rent Allowance sample testing which we needed to report as the population were too large for 100% testing. They related to the following:

- incorrect processing of pension payments;
- incorrect calculation of earnings;
- incorrect processing of childcare costs; and
- incorrect overpayment classification.

Consequently we have made no recommendations to the Authority 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.

Certification work fees

Public Sector Audit Appointments set an indicative fee for our certification work in 2017/18 of £8,161. Our actual fee was the same as the indicative fee, and this compares to the 2016/17 fee for this claim of £9,470.

Yours sincerely

Andy Cardoza
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 John Cornett, 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.

