

**Report of**     **The Deputy Chief Executive**

**Report to**     **Corporate Governance and Audit Committee**

**Date:**        **27<sup>th</sup> January 2017**

**Subject:**     **KPMG Certification of Grants Report 2015/16**

Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Is the decision eligible for Call-In?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: Appendix number:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

### Summary of main issues

1. The number of grant claims which a council's appointed auditors are required to audit has fallen over recent years, and for 2015/16 the Housing Benefit Subsidy claim was the only grant claim that they were required to audit.
2. KPMG's audit of the Housing Benefit Subsidy claim identified a number of minor errors, as a result of which KPMG have qualified the claim and requested corrections. This is in line with the outcome in previous years.
3. There are also a number of minor grants each year for which the council is required by the awarding body to arrange for an external audit. All such grant claims during the year have been certified without adjustment.

### Recommendations

4. Members are asked to receive KPMG's Certification of Grant Claims and Returns report and note the conclusions and recommendations arising from their 2015/16 audit work.

## **1 Purpose of this report**

- 1.1 To inform members on the outcomes of the work of auditors in respect of the certification of grant claims in 2015/16.

## **2 Background information**

- 2.1 Each year the Government determines which grant claims require audit certification by a council's appointed auditors. For 2015/16, the only such grant claim was the Housing Benefit Subsidy claim.
- 2.2 In addition the Council is required to arrange independent audits of a number of grants requested directly by the granting body. Audit firms are invited to tender for this work on a grant-by-grant basis.

## **3 Main issues**

- 3.1 The attached report highlights the audit issues identified by KPMG in respect of the 2015/16 Housing Benefit Subsidy grant claim.
- 3.2 As has been the case in previous years, KPMG have qualified the Housing Benefit Subsidy claim due to minor errors. Although no further errors of the type highlighted in 2014/15 were identified, minor errors of a different type were found during the 2015/16 audit. The net impact of these was minimal, increasing the value of the claim by £2. KPMG have made one recommendation as a result of their findings, which officers in the Welfare and Benefits service will address in order to try to minimise future errors.
- 3.3 In addition to the above, during 2015/16 the Council invited tenders for the audit of a number of other grants not covered by the appointed auditor role. To date, all such completed audits have been certified without adjustment.

## **4 Corporate Considerations**

### **4.1 Consultation and Engagement**

- 4.1.1 This is a factual report based on evidence provided by the external auditors and consequently no public, Ward Member or Councillor consultation or engagement has been sought.

### **4.2 Equality and Diversity / Cohesion and Integration**

- 4.2.1 There are no direct implications for equality, diversity, cohesion and integration arising from this report.

### **4.3 Council policies and Best Council Plan**

- 4.3.1 Under this Committee's terms of reference members are required to consider the Council's arrangements relating to external audit, including the receipt of external audit reports. There are no implications for council policies arising from the report.

### **4.4 Resources and value for money**

- 4.4.1 Members are asked to note the estimated KPMG audit fee of £15.9k for certification of grants and returns for the financial year 2015/16.

#### **4.5 Legal Implications, Access to Information and Call In**

- 4.5.1 As this is a factual report based on evidence provided by the external auditors none of the information enclosed is deemed to be sensitive or requesting decisions going forward and therefore raises no issues for access to information or call in.

#### **4.6 Risk Management**

- 4.6.1 All recommendations contained within the Certification of Grants and Returns 2015/16 report have been considered and appropriate actions agreed.

### **5 Conclusions**

- 5.1 All grant claims and returns have been successfully completed and final approved claims submitted to the relevant granting organisation.
- 5.2 KPMG's audit work identified a number of minor errors in the Housing Benefit Subsidy claim which required qualification and amendment.

### **6 Recommendations**

- 6.1 Members are asked to receive KPMG's report on the Certification of Grant Claims and Returns and to note the conclusions and recommendations arising from their audit work.

### **7 Background documents<sup>1</sup>**

- 7.1 None.

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<sup>1</sup> The background documents listed in this section are available to download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.