



# Annual Report on grants and returns 2016/17

**Kirklees Council**

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in connection with this  
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## Headlines

### Introduction and background

This report summarises the results of work we have carried out on the Council's 2016/17 grant claims and returns.

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 2016/17 is:

- Under the Public Sector Audit Appointments arrangements we certified one claim – the Council's 2016/17 Housing Benefit Subsidy claim. This had a value of £115.5m million.
- Under separate engagements we issued reports on four claims/returns as listed below.
  - Teachers' Pensions return;
  - Pooling of Housing Capital Receipts return;
  - NCTL Initial Teacher Training return;
  - Skills Funding Agency sub-contracting arrangements.

### Certification and assurance results (Pages 4-5)

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.

Following the completion of our work, the claim was amended to reflect the results of our testing and this reduced the subsidy payable by £704. We issued a qualification letter to the Department for Work and Pensions.

Our work on the other grant assurance engagements resulted in unqualified assurance reports in each of the four engagements.

### Recommendations

We have not made any recommendations to the Council from our work this year. No recommendations were made in 2015-16 either.

### Fees (Page 6)

Our fee for certifying the Council's 2016/17 Housing Benefit Subsidy grant was £37,718, which is in line with the indicative fee set by PSAA.

Our fees for the other 'assurance' engagements were subject to agreement directly with the Council and totalled £14,500.

# Summary of reporting outcomes

Overall, we carried out work on 5 grants and returns:

- 4 were unqualified with no amendment; and
- 1 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 2016/17 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 regime</b>					
— Housing Benefit Subsidy	1	●		●	
<b>Other grant/return engagements</b>					
— Teachers’ Pensions					●
— Pooling of Housing Capital Receipts					●
— NCTL Initial Teacher Training					●
— Skills Funding Agency sub-contracting arrangements					●
		1	0	1	4

# 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 Benefit Subsidy claim</b></p> <ul style="list-style-type: none"> <li>— Our testing identified errors affecting nine cells in the return. In four of these cells, because we had tested all the respective cases in those cells, the DWP approach permitted the Council to adjust the claim form.</li> <li>— In the other five cells, in which we identified errors, because the cell population was so large, we applied the DWP sample testing approach and included the extrapolated values from this testing in a qualification letter.</li> </ul>	<p><b>Reduced the subsidy payable by £704</b></p>

## 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 2016/17 was £52,218.

### 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 2016/17 of £37,718. Our actual fee was the same as the indicative fee, and this compares to the 2015/16 fee for this claim of £28,301.

### Grants subject to other engagements

The fees for our work on other grants/returns are agreed directly with the Council. Our fees for 2016/17 were less than those in 2015/16. The reason for the decrease reflects a decrease in the number of returns subject to assurance engagements.

### Breakdown of fees for grants and returns work

Breakdown of fee by grant/return		
	2016/17 (£)	2015/16 (£)
Housing Benefit Subsidy claim	37,718	28,301
Teachers' Pension return	3,000	3,000
Pooling of Housing Capital Receipts return	3,500	4,000
NCTL Initial Teacher Training return	3,000	3,000
Skills Funding Agency sub-contracting arrangements	5,000	5,000
Homes & Communities Agency compliance audit*	-	1,500
<b>Total fee</b>	<b>52,218</b>	<b>44,801</b>

\* The Homes & Communities Agency did not require the Council to obtain assurance reports on this area in 2016/17.



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