

City of London

Report to the Audit Committee
on the year ended 31 March 2015
Certification work

Final Report

Contents

1.	Executive summary	1
2.	Grant claims and returns certified in 2014/15	2
3.	Adjustments and qualification letters issued	3
4.	Commentary on housing benefit claim	4
5.	Commentary on non-PSAA returns	5
6.	Responsibilities Statement	6
7.	Analysis of Certification Fees	7

1. Executive summary

Certification of Claims & Returns 2014/15

We have pleasure in setting out in this document our report to the Audit Committee of the City of London (“the Authority”) on our certification work for the year ended 31 March 2015. This report summarises the principal matters that have arisen from our work. It is not intended to be exhaustive but highlights the most significant matters to which we would like to bring your attention.

This year only the Housing Benefit Subsidy claim required certification as part of our contract with Public Sector Audit Appointments (PSAA) (previously the Audit Commission).

Additionally, we have certified returns relating to Teachers’ Pension Contributions, Young Musicians Pension Contributions and Pooling of Capital Receipts. These returns fall outside the PSAA certification regime, but we have included information on these returns in this letter in order to give you a complete picture of our work on grants and returns in 2014/15.

With respect to testing on the Housing Benefit Subsidy and Pooling of Capital Receipts returns, there have been no amendments and we have not issued a qualification letter.

The Pooling of Capital Receipts claim was subject to an amendment to reduce the RTB sales receipt by £2,700 but was not subsequently qualified.

2. Grant claims and returns certified in 2014/15

The following claims and returns have been certified and delivered to the appropriate authority in relation to 2014/15:

PSAA grant claims and returns

Claim or return	Value of claim/ Return	Date certified	Certification deadline	Adjustments required	Qualification letter issued
Housing Benefit	£5,989,302	28/10/2015	30/11/2015	No	No

Non-PSAA grant claims and returns

Claim or return	Value of claim/ return	Date certified	Certification deadline	Adjustments required	Qualification letter issued
Capital Receipts	£1,469,200	11/01/2016	30/11/2015*	Yes	No
Teachers' Pensions (total contributions deducted)	£191,548	02/11/2015	30/11/2015	No	No
Young Musicians	£19,207	02/11/2015	30/11/2015	No	No

*Due to a system wide issue with the certification system, LOGASnet, which affected all authorities, despite the audit work being completed prior to the deadline we were unable to certify until 11/01/2016. DCLG have stated that authorities will not be penalised for late submission due to this issue.

3. Adjustments and qualification letters issued

Adjustments

The Capital Pooling return was found to have an error of £2,700 due to the additional discount applicable to 7, Avondale House that was not originally accounted for correctly.

Qualification letters issued

No qualification letters were issued this year.

4. Commentary on Housing Benefit claim

Certification approach

- Certification instruction BEN01, issued by Public Sector Audit Appointments (PSAA), was followed in accordance with the HBCOUNT 2015 instructions. This is a modular approach consisting of six separate testing elements.
- The system parameters (i.e. this year's benefit rates and allowances) were agreed to those in use at the Authority and a review of the Northgate software controls was performed.
- Electronic workbooks supplied by PSAA were used to test a sample of 20 cases (or as many as the Authority received) for each of the three benefit types (HRA rent rebates, non-HRA rent rebates and rent allowances) for the Authority.
- There were no errors identified in the prior year, therefore no additional samples were needed in order to satisfy the Cumulative Audit Knowledge and Experience (CAKE) testing requirement.
- No non-isolated errors were identified in the current year that could give rise to an overpayment of benefit so no 40+ samples were required.

Findings

No errors were identified, therefore we certified the claim without amendment or qualification.

5. Commentary on non-PSAA returns

We have performed work certifying the Authority's returns to Teachers' Pensions in respect of contributions to teachers' pensions and the return to the Department for Communities and Local Government in respect of capital receipts subject to pooling arrangements.

Teachers' Pensions

The teachers' pensions return has been certified in line with certification instruction TP05 issued by Teachers' Pensions.

We noted no errors. The return was certified without amendment and without qualification.

Teachers' Pensions – Centre for Young Musicians

The teachers' pensions return for the Centre for Young Musicians has been certified in line with certification instruction TP05 issued by Teachers' Pensions.

We noted no errors. The return was certified without amendment and without qualification.

Capital Receipts

The capital receipts return has been tested in line with certification instruction CFB06 issued by the Department for Communities and Local Government.

A difference of £2,700 was identified due to the additional discount applicable to 7 Avondale House that was not originally accounted for correctly. As a result we extended our sample by 4 in order to test 100% of the population. The extended work confirmed that the error was isolated, therefore, we proposed an amendment to the LOGASnet return to reduce the RTB sales receipt by £2,700.

The return was certified post amendment without qualification.

6. Responsibility statement

The Statement of Responsibilities of grant-paying bodies, authorities, PSAA and appointed auditors in relation to claims and returns, issued by the PSAA, sets out the respective responsibilities of these parties, and the limitations of our responsibilities as appointed auditors and this report is prepared on the basis of, and the grant certification procedures are carried out, in accordance with that statement.

The matters raised in this report are only those that came to our attention during our certification procedures and are not necessarily a comprehensive statement of all weaknesses that exist or of all improvements that might be made. You should assess recommendations for improvements for their full implications before they are implemented.

This report sets out those matters of interest which came to our attention during the certification procedures. Our work was not designed to identify all matters that may be relevant to the Members and this report is not necessarily a comprehensive statement of all weaknesses which may exist in internal control or of all improvements which may be made.

This report has been prepared for the Members, as a body, and we therefore accept responsibility to you alone for its contents. We accept no duty, responsibility or liability to any other parties, since this report has not been prepared, and is not intended, for any other purpose.



Deloitte LLP

Chartered Accountants

St Albans

23 February 2016

7. Analysis of certification fees

Claim or return	2015 £	2014 £
PSAA claim or return		
Housing Benefit Subsidy	14,940	15,195
Non-PSAA claim or return		
Teachers' Pensions Contributions	4,500	4,000
Young Musicians	4,500	4,000
Pooling of Housing Capital Receipts	2,340	2,294
Total	26,280	25,489

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited (“DTTL”), a UK private company limited by guarantee, and its network of member firms, each of which is a legally separate and independent entity. Please see www.deloitte.co.uk/about for a detailed description of the legal structure of DTTL and its member firms.

Deloitte LLP is the United Kingdom member firm of DTTL.

© 2015 Deloitte LLP. All rights reserved.

Deloitte LLP is a limited liability partnership registered in England and Wales with registered number OC303675 and its registered office at 2 New Street Square, London EC4A 3BZ, United Kingdom. Tel: +44 (0) 20 7936 3000 Fax: +44 (0) 20 7583 1198.

Member of Deloitte Touche Tohmatsu Limited