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Private & confidential
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Our ref RL/016
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Dear Nadine

Lancaster City Council - Certification of claims and returns - annual report 2015/16

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 2015/16.

In 2015/16 we carried out certification work on two claims / returns; the Housing Benefit Subsidy claim and the Pooling of Housing Capital Receipts return.

Housing Subsidy Benefit

The certified value of the Housing Subsidy Benefit claim was £41.107 million, and we completed our work and certified the claim on 28 November 2016.

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 work did not identify any issues or errors and we certified the claim unqualified without amendment.

Consequently we have made no recommendations to the Council 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 2015/16 of £9,573. Our actual fee was the same as the indicative fee, and this compares to the 2014/15 fee for this claim of £10,320.

Pooling of Housing Capital Receipts

In addition to the Housing Subsidy Benefit claim, we certified the Council's Pooling of Housing Capital Receipts return for 2015/16. Although this return does not form part of the Public Sector Audit Appointments certification regime, it is a requirement of the Department for Communities and Local Government. We issued our certificate for this return on 29 November 2016. No issues were identified from our test work. Our fee for this certification work was £3,000.

Yours sincerely



Tim Cutler
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 Tim Cutler, 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.