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**Private & confidential**

Steven Mair  
City Treasurer  
Westminster Council  
Westminster City Hall  
64 Victoria Street  
London  
SW1E 6QP

Our ref CoW/Grants/2014/15

15 January 2016

Dear Steve,

**Certification of claims and returns – annual report 2014/15**

Public Sector Audit Public Sector Audit Appointment requires its external auditors to prepare an annual report on the claims and returns it certifies for each client. This letter is our annual report for the certification work we have undertaken for 2014/15.

In 2014/15 we carried out certification work on only one claim, the Housing Benefit Subsidy claim. The certified value of the claim was £225 million, and we completed our work and certified the claim on 27 November 2015.

**Matters arising**

Our certification work on the Housing Benefit Subsidy claim identified two issues.

Misclassification of expenditure

For claimants in receipt of housing benefit at the same time as other specific benefits (e.g. Job Seekers Allowance) there are special rules in place when these specific benefits end. The housing benefits of the claimants may be protected for a period after the specific benefits have ended. During this period the housing benefit expenditure is classified as an extended payment. In one case this expenditure had not been correctly separately identified as an extended payment. Further testing showed no further errors and the claim was amended as we concluded the error was isolated. Therefore there are no recommendations arising.

### Over-applying of service charges

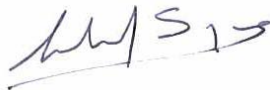
In one case service charges were applied twice. This error could only result in an underpayment of benefit and so no further testing was conducted and no recommendations arise.

In our 2013/14 Certification Annual Report we raised no recommendations relating to the Housing Benefit Subsidy claim

### **Certification work fees**

Public Sector Audit Appointments set an indicative fee for our certification work in 2014/15 of £29,880. Our actual fee was the same as the indicative fee, and this compares to the 2013/14 fee for this claim of £30,790.

Yours sincerely



Andy Sayers  
Partner

This report is addressed to the Authority and has been prepared for the sole use of the Authority. 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](http://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 Andy Sayers, 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](mailto: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](mailto: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.