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Housing Benefit Subsidy Team

House Delivery Division
DWP Business Finance & Housing Delivery
Directorate
Room B120D
Warbreck House
Blackpool
Lancashire
FY2 0UZ

Elizabeth Keys
Director of Finance and Section 151 Officer
Winchester City Council
Colebrook Street
Winchester
Hampshire
SO239LJ

Dear Elizabeth,

Agreed-upon Procedures Report to Winchester City Council and the Department for Work and Pensions of factual findings in relation to the Housing Benefit Subsidy claim form MPF720A for the year ended 31 March 2024.

Purpose of this Agreed-upon Procedures Report and Restriction on Use and Distribution

This report is produced in accordance with the terms of our engagement letter with Winchester City Council dated 04 July 2024. and the standardised engagement terms in Appendix 2 of Housing Benefit (Subsidy) Assurance Process (“**HBAP**”) Module 1 for year ending March 2024 issued by the Department for Work and Pensions (“**DWP**”) for the purpose of reporting to the Section 151 Officer of Winchester City Council (the “**Local Authority**”) and the DWP.

Our report is prepared solely for the confidential use of the Local Authority and the DWP and solely for the purpose of facilitating the claim for Housing Benefit Subsidy on form MPF720A dated 30 April 2024.

This report should not be copied, referred to or disclosed, in whole (save as otherwise permitted by the standardised engagement terms) or in part, without our prior written consent. Without assuming or accepting any responsibility or liability in respect of this report to any party other than the Local Authority and the DWP, we acknowledge that the Local Authority and/or the DWP may be required to disclose this report to parties demonstrating a statutory right to see it.

This report is designed to meet the agreed requirements of the Local Authority and the DWP as described in the DWP HBAP reporting framework instruction for financial year ending March 2024.

This report should not therefore be regarded as suitable to be used or relied on by any other party for any purpose or in any context. Any party other than the Local Authority and the DWP which obtains access to this report or a copy and chooses to rely on this report (or any part of it) will do so entirely at its own risk. To the fullest extent permitted by law, we accept no responsibility or liability in respect of our work or this report to any other party and shall not be liable for any loss, damage or expense of whatsoever nature which is caused by the reliance of anyone other than the addressees on our work or this report.

Local Authority's Responsibilities

As Section 151 Officer of the Local Authority, you have responsibilities under the Income-related Benefits (Subsidy to Authorities) Order 1998. You are also responsible for ensuring that the Local Authority maintains accounting records which disclose with reasonable accuracy, at any time, the financial position of the Local Authority. It is also the Section 151 Officer's responsibility to extract relevant financial information from the Local Authority's accounting records, obtain relevant information held by any officer of the Local Authority and complete the attached form MPF720A in accordance with the relevant framework set out by the DWP.

The Section 151 Officer of the Local Authority and the DWP have acknowledged that the agreed-upon procedures are appropriate for the purpose of the engagement.

The Section 151 Officer is responsible for the completion of the MPF720A and is the signatory on the Local Authority's certificate on claim form MPF720A.

Our Responsibilities

For the purpose of the HBAP engagement we have been provided with a signed copy of form MPF720A 2023/24 dated 30 April 2024 by the Section 151 Officer.

We conducted our engagement in accordance with HBAP Modules 1 and 6 for financial year ending March 2024 issued by the DWP, which highlight the terms under which DWP has agreed to engage with reporting accountants.

Our engagement was carried out in accordance with the DWP reporting framework instruction and in accordance with the International Standard on Related Services (ISRS) 4400 (Revised), *Agreed-upon Procedures Engagements* issued by the International Auditing and Assurance Standards Board. The purpose of the engagement is to perform the specific test requirements determined by the DWP on the defined sample basis as set out in HBAP Modules of the HBAP reporting framework instruction on the Local Authority's form MPF720A dated 30 April 2024, and to report the factual findings, which are the factual results of those procedures to the Local Authority and the DWP. We make no representation regarding the appropriateness of the agreed-upon procedures.

The results of the agreed-upon procedures are reported in Appendices A, B, C and D.

The procedures specified in DWP's HBAP reporting framework instruction do not constitute an examination made in accordance with generally accepted auditing or review standards or an assurance engagement performed in accordance with any standards applicable to assurance, the objective of which would be the expression of assurance on the contents of the Local Authority's claim for Housing Benefit Subsidy on form MPF720A. Accordingly, we do not express such assurance. Had we performed additional procedures, or had we performed an audit or review of the Local Authority's claim for Housing Benefit Subsidy on

form MPF720A in accordance with generally accepted auditing or review standards or an assurance engagement performed in accordance with any standards applicable to assurance, other matters might have come to our attention that would have been reported to you. This report relates only to the Local Authority's form MPF720A and does not extend to any financial statements of the Local Authority, taken as a whole.

Professional Ethics and Quality Control

We have complied with the ethical requirements in the ICAEW Code of Ethics issued by the Institute of Chartered Accountants in England and Wales. For the purpose of this engagement, there are no independence requirements with which we are obliged to comply.

The firm applies International Standard on Quality Management 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements* which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Summary of HBAP report

Summary of Initial Testing

Cell 011: NHRA Rent Rebates:

- No claims in payment in 2023/24

Cell 055: HRA Rent Rebates:

- No issues identified.

Cell 094: Rent Allowances:

- No issues identified.

Completion of Modules

The Specific Test Requirements set out in Module 1 Appendix 3 have been completed, including testing required by Modules 2 and 5 as detailed below.

Completion of Module 2

We have completed testing of the Module 2 and no issues were identified.

Completion of Module 5

We have completed the questionnaire for the appropriate software supplier and no issues were identified.

Summary of testing arising from Cumulative Assurance Knowledge and Experience ("CAKE")

In line with the requirements of HBAP Modules we have undertaken CAKE testing based upon the preceding HBAP Accountants report for:

- Cell 094: Rent Allowance: Assessment of private pension income
- Cell 214/225: Modified Schemes: Assessment of war pension income

The results of this testing can be found in the appropriate appendix.

No errors were found in the initial testing and extended testing in relation to cell 094 Rent Allowance assessment of private pension income, and as such this area of testing is now considered closed.

For the form MPF720A dated 30 April 2024 for the year ended 31 March 2024 we have completed the specific test requirements detailed in the DWP reporting framework instruction HBAP and have identified the results set out in Appendices A, B, C and D.

KPMG LLP

Chartered Accountants

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London
E14 5GL
United Kingdom

[Date]

Name for enquiries: Hannah Andrews

Attachments:

Appendix A Exceptions/Errors found

Appendix B Observations

Appendix C Amendments

Appendix D Other Matters

Appendix A Exceptions/Errors found

No exceptions/errors to report.

Appendix B Observations

Cell 214/225: Modified Schemes – Incorrect war pension

Cell Total: £40,007

Cell Population: 12

Headline Cell: £40,007

In our 2022/23 HBAP Accountants Report, we identified that the Local Authority had miscalculated claimants war pension income. Given the nature of the population and the errors reported in the 2022/23 HBAP Accountants report, the Authority identified all cases in Cell 214/225 and has tested each claim to confirm that war pension income has been correctly calculated. The 100% checks undertaken identified:

- One case where the authority has incorrectly assessed the claimants war pension income. This has resulted in the local authority underclaiming £8.47 housing benefit subsidy. This finding has no impact on the value of housing benefit paid to the claimant and is reported for completeness.

This issue was included in our prior year HBAP Accountants Report.

Appendix C Amendments

No amendments to report in 2023/24.

Appendix D Other Matters

No other matters to report in 2023/24.