



National Audit Office

---

## **Memorandum**

for the House of Commons  
Home Affairs Committee

---

## **Home Office**

The Home Office's management  
of its contract with G4S to run  
Brook House immigration  
removal centre

JULY 2019

---

---

**Figure 14****Findings of March 2018 financial review by Moore Stephens LLP**

**The financial review by accountants Moore Stephens LLP found no errors it considered important or significant in context, but raised a number of issues**

Invoicing	The review compared Home Office spending and G4S income data, matching on invoice number. It found that differences were minimal. It found nine records with mis-matching values, out of more than 1,200 invoice records checked, of which most were due to timing, rounding, data quality or assigning an invoice to the wrong G4S-run centre. However, in two cases, totalling £5,747, the income recorded by G4S was greater than the Home Office's expenditure.
Penalties	<p>The review did not identify any material errors in the handling of penalties for underperformance, but noted two issues:</p> <ul style="list-style-type: none"> <li>• a lack of availability of evidence on why potential breaches recorded in the Home Office issues log were not reported in the monthly performance report; and</li> <li>• a lack of information on incident reports and therefore potential performance breaches and financial penalties. This second point did not relate to Brook House.</li> </ul>
Staffing	The review did not identify any material errors with respect to staff costs. However, due to personnel files being unavailable or inaccessible, the review was unable to verify the existence of a number of employees, verify staff costs charged and pay awards.
Profits	The review sets out the net and gross profits made by G4S for Brook House each year from 2012 to 2016. The review verified that G4S's profit and loss accounts were accurate and had been prepared in accordance with the underlying financial records.
Other topics	The review also verified that spending on goods and services other than staffing was accurate and in line with the contract; that regional and group overheads were accurately and appropriately recognised in G4S's books; and that adjustments made by G4S to its financial records were reasonable, supported by documentation and made by people with the appropriate level of authority. It found no errors or significant issues with these.

Source: National Audit Office analysis of Moore Stephens LLP document provided by the Home Office

---