

REPORT TITLE: CERTIFICATION OF HOUSING BENEFITS CLAIM 2018/19

5 MARCH 2020

REPORT OF CABINET MEMBER: CLLR NEIL CUTLER – DEPUTY LEADER AND
CABINET MEMBER FOR FINANCE AND RISK

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WARD(S): ALL

PURPOSE

The purpose of the Certification of Claims and Returns Annual Report is to summarise the results of External Audit's work on the Council's housing benefits subsidy claim for 2018/19.

RECOMMENDATIONS:

1. That the Audit Committee considers the attached Annual Report (Appendix 1).

IMPLICATIONS:1 COUNCIL PLAN OUTCOME

- 1.1 External Audit findings contribute to the corporate governance arrangements of the Council, which in turn support the achievement of the open and transparent objective of the Council Plan.

2 FINANCIAL IMPLICATIONS

- 2.1 The audit fee for grant certification work relating to 2018/19 is £14,965 which is an increase of £4,970 from the indicative base fee of £9,995. The additional fee is based on the additional hours required in respect of the extended testing. The certification fee for 2017/18 was £12,535.

3 LEGAL AND PROCUREMENT IMPLICATIONS

- 3.1 This is the first year of a new certification contract with the external audit firm KPMG. Previously this work was undertaken alongside the audit of the Council's financial statements as part of the external audit contract with EY.

4 WORKFORCE IMPLICATIONS

- 4.1 None

5 PROPERTY AND ASSET IMPLICATIONS

- 5.1 None

6 CONSULTATION AND COMMUNICATION

- 6.1 None

7 ENVIRONMENTAL CONSIDERATIONS

- 7.1 None

8 EQUALITY IMPACT ASSESSEMENT

- 8.1 None

9 DATA PROTECTION IMPACT ASSESSMENT

- 9.1 The Council ensures via the contract that any data transferred as part of the certification process is compliant with data protection legislation.

10 RISK MANAGEMENT

| Risk | Mitigation | Opportunities |
|--|-----------------------|----------------------|
| <i>Financial / VfM</i> The Council is incorrectly | External audit of the | None |

| | | |
|--|---|--|
| calculating the Housing Benefit Subsidy claim and is under/over paid subsidy by DWP. | Subsidy claim ensures accuracy and any inaccuracies are adjusted. | |
|--|---|--|

11 SUPPORTING INFORMATION:

- 11.1 The only remaining Government Grant received by the Council that requires external certification is in respect of Housing Benefit Subsidy. The external audit firm KPMG have been appointed as certifiers and have completed their review of the Housing Benefit Subsidy claim for 2018/19 (totalling £25m).
- 11.2 The auditor's review of the Housing Benefit Subsidy Claim 2018/19 identified ten errors in the calculation of claimant income within the sample of 120 cases reviewed. Six of these cases resulted in underpayment of benefit and therefore do not impact on subsidy. For the other four cases the auditors have reported that the estimated extrapolated impact of the errors is £856 overpayment of benefit; however, the auditors have not adjusted the claim.
- 11.3 The final claim was adjusted by £354 as a result of one other minor adjustment.
- 11.4 This is a positive report for the Council that provides assurance to the Audit Committee in respect of the Council's ability to provide good financial stewardship of taxpayer's money.
- 11.5 The external auditor's Certification of claims and returns report for 2018/19 is attached as Appendix 1 to this report

12 OTHER OPTIONS CONSIDERED AND REJECTED

- 12.1 None.

BACKGROUND DOCUMENTS:-

Previous Committee Reports:-

AUD230 Certification of Claims and Returns Annual Report 2017/18.

Other Background Documents:-

None

APPENDICES:

Appendix 1 Certification of Claims and Returns Annual Report 2018/19