

**Certification of  
claims and returns  
annual report  
2017-18**

**Thurrock Council**

January 2019

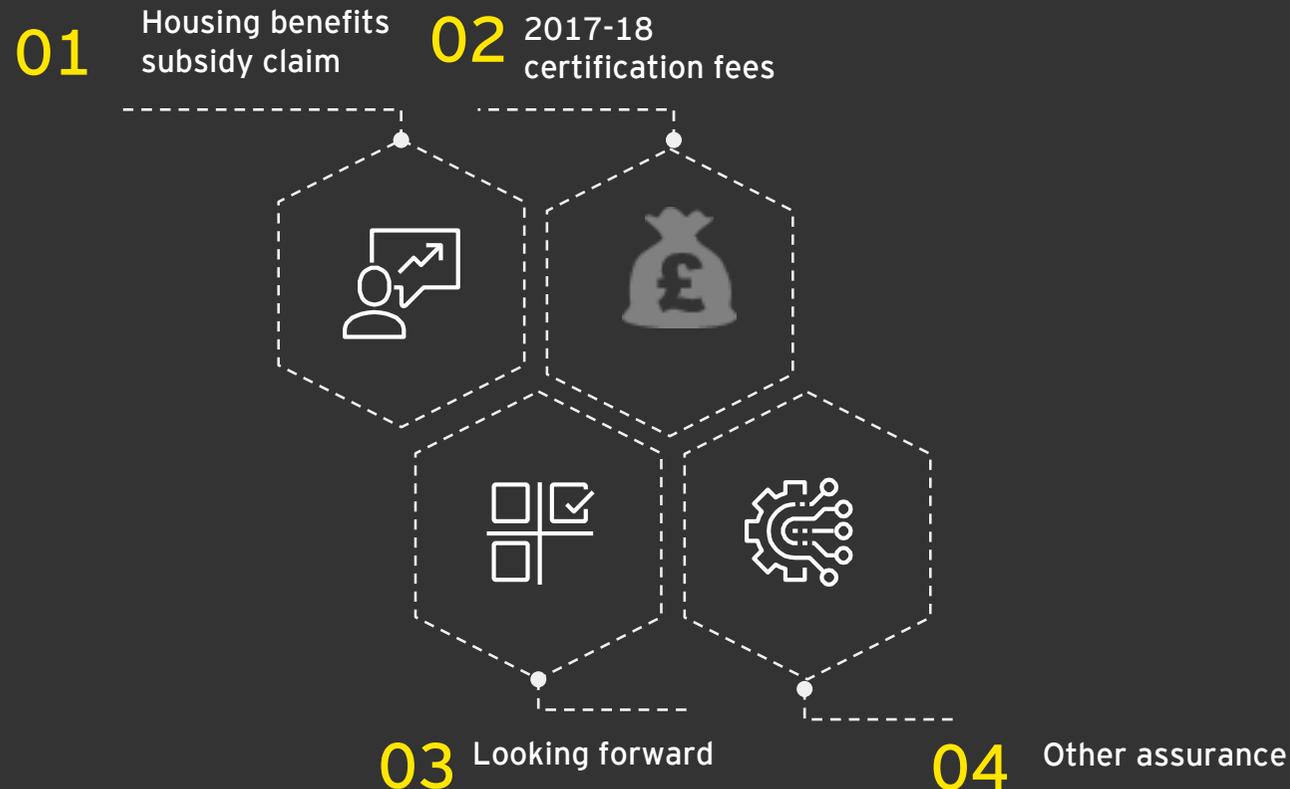


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APPENDIX 1

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In April 2015 Public Sector Audit Appointments Ltd (PSAA) issued "Statement of responsibilities of auditors and audited bodies". It is available from the via the PSAA website ([www.PSAA.co.uk](http://www.PSAA.co.uk)). The Statement of responsibilities serves as the formal terms of engagement between appointed auditors and audited bodies. It summarises where the different responsibilities of auditors and audited bodies begin and end, and what is to be expected of the audited body in certain areas. The "Terms of Appointment (updated February 2017)" issued by the PSAA sets out additional requirements that auditors must comply with, over and above those set out in the National Audit Office Code of Audit Practice (the Code) and in legislation, and covers matters of practice and procedure which are of a recurring nature. This report is made solely to the Standards and Audit Committee and management of Thurrock Council in accordance with the statement of responsibilities. Our work has been undertaken so that we might state to the Standards and Audit Committee, and management of Thurrock Council those matters we are required to state to them in this report and for no other purpose. To the fullest extent permitted by law we do not accept or assume responsibility to anyone other than the Standards and Audit Committee, and management of Thurrock Council for this report or for the opinions we have formed. It should not be provided to any third-party without our prior written consent.

# Certification report

## 01 - Housing benefits subsidy claim

The Council administers the Government's housing benefits scheme for tenants and can claim subsidies from the Department for Work and Pensions (DWP) towards the cost of benefits paid. The certification guidance requires reporting accountants to complete more extensive '40+' or extended testing if initial testing identifies errors in the calculation of benefit or compilation of the claim. 40+ testing may also be carried out as a result of errors that have been identified in the certification of previous years claims.

Scope of work	Results
Value of claim presented for certification	£52,161,431
Amended/Not amended	Amended - subsidy reduced by £3,613
Qualification letter	Yes
Fee - 2017-18	£15,664
Fee - 2016-17	£17,148

There were no errors in the initial testing in 2017/18. However, we were required to carry out extended testing in two areas due to errors in the calculation of wages identified in last year's claim. Extended testing in the first area identified errors which the Council has amended within the benefits system during 2018/19. These adjustments (a net understatement of £172.80 in the claim) will be reflected 2018/19 claim.

We have reported the extrapolated value of the error found in extended testing in the second area in a qualification letter. The value of the error was £0.50 within one case with a value of £2,820.20. The extrapolated impact was an overstatement of £56.68 in the claim. The DWP will decide whether to ask the Council to carry our further work to quantify the error or to claw back the benefit subsidy paid.

Other testing identified errors which the Council amended with a small net impact on the claim, reducing subsidy by £3,613.

## Certification report

### 02 - Fees

Claim	2017-18 Actual fee	2017-18 Scale fee	2016-17 Actual fee
Housing benefits subsidy claim	15,664	15,664	17,148

PSAA set the 2017/18 scale fee on the actual fee for 2015/16. We have delivered the work within this fee.

### 03 - Looking forward

From 2018/19, the Council is responsible for appointing their own reporting accountant to undertake the work on their claims in accordance with the instructions determined by the relevant grant paying body. Following a request for quotes in November 2018 the Council has appointed another firm to act as reporting accountants in relation to the housing benefit scheme.

### 04 - Other assurance

The Council has also engaged us to act as reporting accountants, outside of the PSAA regime, in relation to the following schemes:

- ▶ Teachers' Pensions - £13,500 indicative fee (as per prior year)
- ▶ Pooling of Housing Capital Receipts - £6,000 indicative fee (as per prior year)

Based on the work completed as at the time of this report, we have not identified any significant issues from this work that need to be brought to the attention of Members.

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