

12 March 2020		ITEM: 7
Standards and Audit Committee		
Certification of Claims and Returns 2018/19		
Wards and communities affected: All	Key Decision: N/A	
Report of: Sean Clark, Corporate Director of Finance, Governance and Property		
Accountable Assistant Director: Jonathan Wilson, Assistant Director of Finance		
Accountable Director: Sean Clark, Corporate Director of Finance, Governance and Property		
This report is Public		

Executive Summary

The Certification of Claims and Returns work for 2018/19 is completed by BDO. The findings from the work conducted to date will be presented by BDO.

1. Recommendation(s)

1.1 That the findings from the Certification of Claims and Returns work completed to date is noted.

2. Introduction and Background

2.1 The most significant element of this work is in relation to the Housing Benefits subsidy claim. This work is completed according to the methodology set by the Department for Work and Pensions (DWP). There are two further claims and returns requiring an external audit opinion and this work has also been completed by BDO.

2.2 The certification of the Housing Benefit subsidy claim was completed in November 2019. The detailed findings are presented to the Committee by BDO who are happy to receive questions. All findings have been accepted and agreed by officers.

3. Issues, Options and Analysis of Options

3.1 BDO were required to certify one claim relating to the year 2018/19. The Housing Benefit claim was audited against a DWP methodology and the summary of the findings are set out below.

3.2 The total value of the Housing Benefits subsidy claim was £43.86m – the audit work identified only minor amendments and adjustments which are summarised below:

- Rent Allowances – overall calculated error from sample testing of £7,335 due to the incorrect assessment of earned income. The total value of rent allowance benefit paid was £22,889,467.
- Rent Rebates – overall calculated error from sample testing of £5,980 due to the incorrect assessment of earned income. The total value of rent rebate paid was £20,433,054.
- Non-HRA Rent Rebates - overall calculated error from testing of £26 due to the incorrect assessment of earned income. This was amended on the claim form. The total value of rent rebate paid was £786,949.

As the authorities overall processing accuracy was good and remained significantly below the DWP's threshold for error, there was a small positive financial impact to the Council as a result of the above adjustments.

3.3 It is pleasing to note the overall quality of the claim is high and the fee for the work on the Housing Benefits subsidy claim continues to fall.

3.4 The total proposed fee for the audit of the Housing Benefit claim is £14,900 which represents a decrease of 4.9 per cent relative to 2017/18. This reflects the continued improvement in the processes supporting the completion of the claim compared with the prior year.

3.5 BDO also audit the Teachers' Pension claim and the Pooling of Capital Receipts return. The work is ongoing and has not identified any significant issues to date.

3.6 The total fee for this work is proposed to be £10,500 – a decrease of 46 per cent compared with the prior year (subject to completion of the work).

4. Reasons for Recommendation

4.1 The Committee is asked to note the findings of the report. Future reports to the Committee will contain updates on the recommendations raised.

5. Consultation (including Overview and Scrutiny, if applicable)

5.1 The matters have been considered by this Committee. The detailed findings from the report have been discussed and agreed with relevant officers. They are also subject to the review of the Director of Finance, IT & Legal.

6. Impact on corporate policies, priorities, performance and community impact

6.1 There are no direct implications arising from this report in terms of the community and delivery of services.

7. Implications

7.1 Financial

Implications verified by: **Jonathan Wilson**
Assistant Director of Finance

The financial implications have been noted in the body of the report.

7.2 Legal

Implications verified by: **Tim Hallam**
Assistant Director of Law and Governance

There are no specific legal implications of the report. The claims and returns are certified under section 28 of the Audit Commission Act 1998.

7.3 Diversity and Equality

Implications verified by: **Natalie Smith**
Community Engagement and Project Monitoring Officer

There are no specific implications from this report.

7.4 Other implications (where significant) – i.e. Staff, Health, Sustainability, Crime and Disorder)

None

8. Background papers used in preparing the report (including their location on the Council's website or identification whether any are exempt or protected by copyright):

None

9. Appendices to the report

None

Report Author:

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Corporate Finance