

<b>15 March 2016</b>		<b>ITEM: 10</b>
<b>Standards and Audit Committee</b>		
<b>Report from Ernst and Young: Certification of Claims and Returns Annual Report 2014/15</b>		
<b>Wards and communities affected:</b> All	<b>Key Decision:</b> Non-Key	
<b>Report of:</b> Sean Clark, Director of Finance and IT		
<b>Accountable Head of Service:</b> N/A		
<b>Accountable Director:</b> Sean Clark, Director of Finance and IT		
<b>This report is Public</b>		

### **Executive Summary**

Attached to this paper is a report from Ernst and Young on the Certification of Claims and Returns Annual Report 2014/15. This will be presented by Ernst and Young.

#### **1. Recommendation(s)**

**1.1 That the report attached at Appendix 1 and the agreed actions are noted.**

#### **2. Introduction and Background**

**2.1** The Certification of Claims and Returns Annual Report 2014/15 was issued in February 2016. The report now only includes detail on the housing benefits subsidy claim. There are two further claims and returns requiring an external audit opinion and this work has been completed by Ernst and Young. However this work is not completed within the certification arrangements of the Audit Commission and hence is not reported on in detail within this report. The certification of the housing benefit subsidy claim was completed in November 2015. The report sets out the detailed findings and is presented to the Committee by Ernst and Young who are happy to receive questions on the report. All findings have been accepted and agreed by officers.

#### **3. Issues, Options and Analysis of Options**

**3.1** Ernst and Young were required to certify one claim relating to the year 2014/15. This was reduced by one compared with the prior year as the the pooling of capital receipts return no longer falls within the certification arrangements of the Audit Commission. The Housing Benefit claim was

audited against a Department of Work and Pensions (DWP) methodology and the summary of the findings are as follows:

- 3.2 Housing benefits subsidy claim 2014/15. The total value of the housing benefits subsidy claim was £60.5m – the work identified amendments totalling £465 and four issues which have been reported to the DWP which may result in further work although this is expected to have a limited impact on subsidy. There is one recommendation which the Council has agreed to address.
- 3.3 It is pleasing to note the comment that the housing benefit arrangements have improved over recent years with a reduction in the number and type of errors identified.
- 3.3 The total proposed fee for the audit of the claims and returns is £22,864 a fall of 6.2 per cent relative to 2013/14. This reflects a reduction in the number of errors found in the work on the Housing Benefits claim compared with the prior year.
- 3.4 Housing benefits subsidy claim 2013/14 - Additional work was required by the DWP in respect of issues identified from the audit undertaken last year which was completed. The revised report was submitted and there was an additional fee of £3,490.
- 3.5 Housing benefits subsidy claim 2012/13 - Additional work was required by the DWP in respect of issues identified from the audit undertaken. This has been completed and a revised report submitted with a proposed additional fee of £3,096.

#### **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 and IT.

#### **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: **Sean Clark**  
**Director of Finance and IT**

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

## 7.2 **Legal**

Implications verified by: **David Lawson**  
**Deputy Head 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** **Rebecca Price** **Community Development 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**

- Appendix 1: Certification of Claims & Returns – Annual Report 2014/15

### **Report Author:**

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