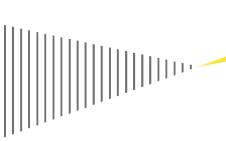
Certification of claims and returns annual report 2015-16

Walsall Metropolitan Borough Council

December 2016

Ernst & Young LLP







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The Members of the Audit Committee Walsall Metropolitan Borough Council The Civic Centre Darwall Street Walsall WS1 1TP 21 December 2016 Ref:

Email: hrohimun@uk.ey.com

Dear Members

Certification of claims and returns annual report 2015-16

We are pleased to report on our certification and other assurance work. This report summarises the results of our work on the Council's 2015-16 claims.

Scope of work

Local authorities claim large sums of public money in grants and subsidies from central government and other grant-paying bodies and must complete returns providing financial information to government departments. In some cases these grant-paying bodies and government departments require appropriately qualified auditors to certify the claims and returns submitted to them.

From 1 April 2015, the duty to make arrangements for the certification of relevant claims and returns and to prescribe scales of fees for this work was delegated to the Public Sector Audit Appointments Ltd (PSAA) by the Secretary of State for Communities and Local Government.

For 2015-16, these arrangements required only the certification of the housing benefits subsidy claim. In certifying this we followed a methodology determined by the Department for Work and Pensions and did not undertake an audit of the claim.

Summary

Section 1 of this report outlines the results of our 2015-16 certification work and highlights the significant issues

We checked and certified the housing benefits subsidy claim with a total subsidy claim of £121million, meeting the submission deadline. Except for identified one underpayment of benefit for £35.42 that we are required to include in a qualification letter, there were no matters arising.

Fees for certification and other returns work are summarised in section 3. The housing benefits subsidy claim fees for 2015-16 were published by the Public Sector Audit Appointments Ltd (PSAA) in March 2015 and are now available on the PSAA's website (www.psaa.co.uk).

We welcome the opportunity to discuss the contents of this report with you.

Yours faithfully

Hassan Rohimun

Executive Director Ernst & Young LLP

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1. Housing benefits subsidy claim

Scope of work	Results		
Value of claim presented for certification	£121 million		
Amended/Not amended	Not amended		
Qualification letter	Yes: setting out an observation of one underpayment of benefit		

Local Government 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.

Our testing found no errors in the calculation of benefit of compilation of the claim. We reported one underpayment in a qualification letter:

Non-HRA: Rent Rebates

Testing of the initial sample identified one case where benefit had been underpaid as a result of the Authority subtracting an eligible service charge from the eligible rent.

The total underpayment of benefit for that case was £35.42.

As there is no eligibility to subsidy for benefit which has not been paid, the underpayment identified does not affect subsidy and was not classified as an error for subsidy purposes. As the error identified will always result in an underpayment of benefit, additional testing was not undertaken.

2. 2015-16 certification fees

The PSAA determine a scale fee each year for the audit of claims and returns. For 2015-16, these scale fees were published by the Public Sector Audit Appointments Ltd (PSAA's) in March 2015 and are now available on the PSAA's website (www.psaa.co.uk).

			Predecessor auditor
Claim or return	2015-16	2015-16	2014-15
	Actual fee £	Indicative fee £	Actual fee £
Housing benefits subsidy claim	14,087	14,087	19,210

Looking forward

From 1 April 2015, the duty to make arrangements for the certification of relevant claims and returns and to prescribe scales of fees for this work was delegated to (PSAA) by the Secretary of State for Communities and Local Government.

The Council's indicative certification fee for 2016-17 is £14,408. This was prescribed by PSAA in March 2016, based on no changes to the work programme for 2015-16. Indicative fees for 2016/17 housing benefit subsidy certification work are based on final 2014/15 certification fees. PSAA reduced scale audit fees and indicative certification fees for most audited bodies by 25 per cent based on the fees applicable for 2014-15.

Details of individual indicative fees are available at the following web address: http://www.psaa.co.uk/audit-and-certification-fees/201617-work-programme-and-scales-of-fees/individual-indicative-certification-fees/

We must seek the agreement of PSAA to any proposed variations to these indicative certification fees. We will inform the Chief Finance Officer before seeking any such variation.

PSAA is currently consulting on the 2017-18 work programme. There are no changes planned to the work required and the arrangements for certification of housing benefit subsidy claims remain in the work programme. However, this is the final year in which these certification arrangements will apply. From 2018-19, the Council will be responsible for appointing their own auditor and this is likely to include making their own arrangements for the certification of the housing benefit subsidy claim in accordance with the requirements that will be established by the DWP.

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