

Audit Committee – 15 January 2018

Ernst Young Certification of Claims and Returns Annual Report 2016/17

1. Summary of report

- 1.1 This report presents Ernst Young's certification work for the financial year 2016/18 covering the Housing Benefits Subsidy claim.

2. Recommendations

- 2.1 Audit Committee is requested to note the report.



James Walsh, Chief Finance Officer
13 December 2017

3. Governance

- 3.1 The Council is required to have external audit sign off of its Housing Benefit Subsidy claim. Outcomes from this work will assist the council in maintaining strong governance arrangements.

4. Resource, Legal, Performance and Risk Management considerations

- 4.1 Certification work for 2016/17 covers the Housing Benefit Subsidy claim.

5. Equality implications

- 5.1 There are no direct implications arising from this report.

6. Consultation

- 6.1 The report has been prepared following certification of the Housing Benefit Subsidy claim and in consultation with Housing Benefit staff and the Assistant Director of Finance.

7. Background papers

Various report and working papers, statutory and other guidance.

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Certification of claims and returns annual report 2016-17

Walsall Metropolitan Borough Council

December 2017

Ernst & Young LLP



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1. Housing benefits subsidy claim

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 2016-17, these arrangements required only the certification of the housing benefits subsidy claim: 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.

In certifying this we followed a methodology determined by the Department for Work and Pensions and did not undertake an audit of the claim.

| Scope of work | Results |
|--|---|
| Value of claim presented for certification | £109,821,680 |
| Amended/Not amended | <p>Amended.</p> <p>The certification guidance requires auditors 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 audit of previous years claims. We found errors and carried out extended testing over tenants in short-term leased or self-contained licensed accommodation where the local authority is landlord.</p> <p>Our testing resulted in a reduction in the subsidy claimed by £451.</p> |
| Value of claim certified | £109,821,229 |
| Qualification letter | No |
| Recommendations from 2015-16 | Findings in 2016-17 |
| None | No recommendations raised |

2. 2016-17 certification fees

The PSAA determine a scale fee each year for the audit of claims and returns. For 2016-17, these scale fees were published by the Public Sector Audit Appointments Ltd (PSAA's) in March 2016 and are now available on the PSAA's website (www.psaa.co.uk).

| Claim or return | 2016-17 | 2016-17 | 2015-16 |
|--------------------------------|-----------------|---------------------|-----------------|
| | Actual fee £ | Indicative fee £ | Actual fee £ |
| Housing benefits subsidy claim | £14,408 | £14,408 | £14,087 |

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