



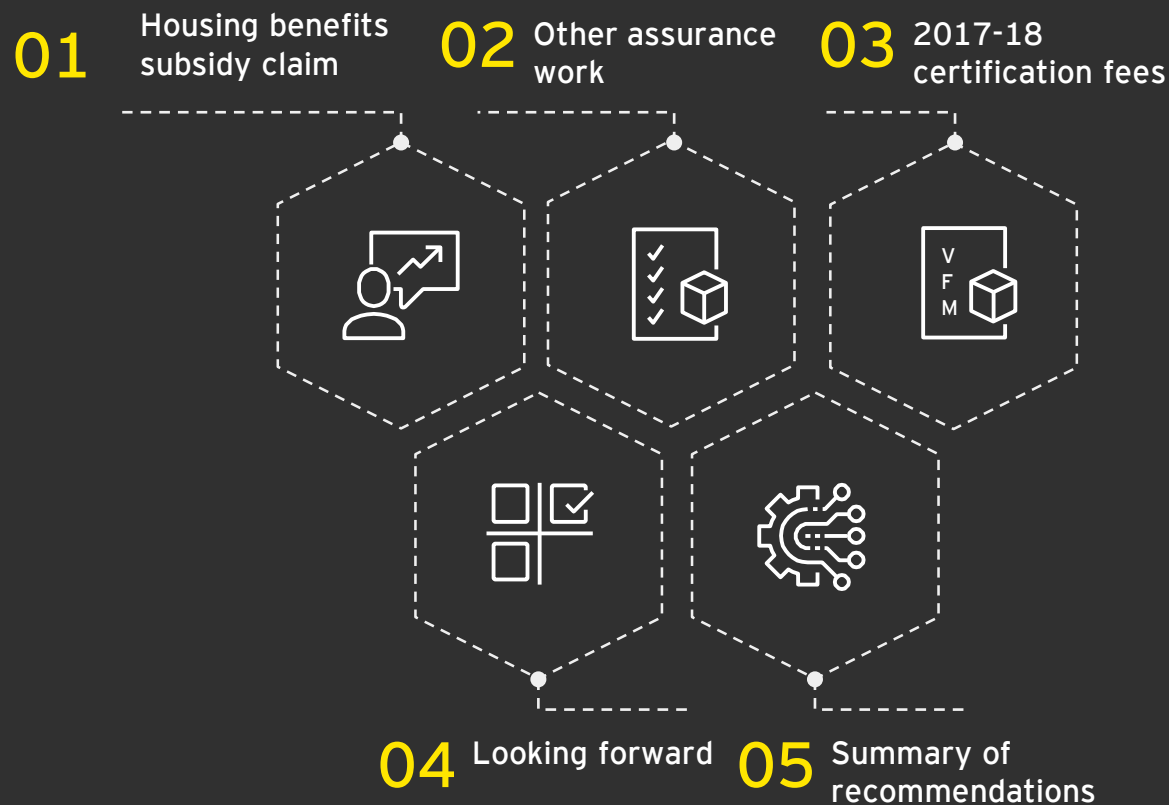
Certification of claims and returns annual report 2017-18

February 2019



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working world

Contents



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). 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 Audit Committee and management of Central Bedfordshire Council in accordance with the statement of responsibilities. Our work has been undertaken so that we might state to the Audit Committee, and management of Central Bedfordshire 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 Audit Committee, and management of Central Bedfordshire 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.



01

Housing benefits subsidy claim



Housing benefits subsidy claim

Scope of work	Results
Value of claim presented for certification	£57,235,414
Amended/Not amended	Amended - subsidy reduced by £9
Qualification letter	Yes
Fee - 2017-18	£26,910
Fee - 2016-17	£24,908

Recommendations from 2016-17	Findings in 2017-18
Given the Council has not yet seen a sustained improvement in accuracy levels, it should continue with its targeted quality control processes.	Every effort is made to minimise errors entering the system through robust and sustained checking, as per the details provided in this report, and that the further increase in digitisation and automation should significantly impact on re-keying errors. Where issues are identified, either through the annual audit or through checking, targeted checking will be undertaken (whether at a 100% level or on a randomised basis) to reduce recurrence of error.

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.

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. We found errors and carried out extended testing in several areas.

Extended and other testing identified errors which the Council amended. They had a small net impact on the claim. We have reported underpayments, uncertainties and the extrapolated value of other errors in a qualification letter. The DWP then decides whether to ask the Council to carry out further work to quantify the error or to claw back the benefit subsidy paid. The issues we reported include:

- ▶ benefit being awarded from the wrong date leading to an overpayment of benefit;
- ▶ overpayments being misclassified between overpayment categories;
- ▶ income being incorrectly assessed;
- ▶ expenditure being coded to the incorrect benefit type.

The net impact on the claim was £9.



02

Other assurance work





Other assurance work

During 2017-18 we also acted as reporting accountants in relation to the following schemes:

- ▶ Teachers' pensions
- ▶ Pooling of housing capital receipts

We have provided separate reports to the Council in relation to the Teachers' Pensions return and are currently preparing the final report for the pooling of housing capital receipts return. This work has been undertaken outside the PSAA regime. The fees for this are included in the figures in Section 3. They are referred to here to ensure to ensure Members have a full understanding of the various returns on which we provide assurance.

We did not identify any significant issues from this work that need to be brought to the attention of Members.



03

2017-18 certification fees





2017-18 certification fees

The PSAA determine a scale fee each year for the certification of the housing benefits subsidy claim. For 2017-18, these scale fees were published by the Public Sector Audit Appointments Ltd (PSAA's) and are available on their website (www.psaa.co.uk).

Claim or return	2017-18	2017-18	2016-17
	Actual fee	Indicative fee	Actual fee
Housing benefits subsidy claim	£26,910	£26,910	£24,910
Teachers' Pensions return	8,000	8,000	10,000
Pooling of housing capital receipts return	4,000 (Note 1)	4,000	4,000

Note 1 - the work to complete the housing capital receipts return is being completed. We will inform you if the final fee differs from that reported here.



04

Looking forward



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.

As your appointed auditor for the financial statements audit, we are pleased that the Council has appointed us to act as reporting accountants in relation to the housing subsidy scheme.

We welcome this opportunity to continue undertaking this work for the Council providing a seamless quality service, drawing on vast array of experienced and knowledgeable public sector professionals in these areas, whilst realising the synergies and efficiencies that are achieved by undertaking both the audit and grant work.



05

Summary of recommendations



Summary of recommendations

This section highlights the recommendations from our work and the actions agreed.

Recommendation	Priority	Agreed action and comment	Deadline	Responsible officer
Housing benefits subsidy claim Given the Council has not yet seen a sustained improvement in accuracy levels, it should continue with its targeted quality control processes.	Medium	Every effort is made to minimise errors entering the system through robust and sustained checking, as per the details provided in this report, and that the further increase in digitisation and automation should significantly impact on re-keying errors. Where issues are identified, either through the annual audit or through checking, targeted checking will be undertaken (whether at a 100% level or on a randomised basis) to reduce recurrence of error.	April 2019	Gary Muskett, Head of Revenues and Benefits

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