



Annual Report on grants and returns 2016/17

Ashfield District Council

January 2018



Contents

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Headlines

Introduction and background

This report summarises the results of work we have carried out on the Authority's 2016/17 grant claims and returns.

This includes the work we have completed under the Public Sector Audit Appointment certification arrangements, as well as the work we have completed on other grants/returns under separate engagement terms. The work completed in 2016/17 are:

- Under the Public Sector Audit Appointments arrangements, we certified the Authority's 2016/17 Housing Benefit Subsidy claim. This had a value of £33.3 million.
- Under separate assurance engagements, we certified the Authority's 2016/17 Pooling of Housing Capital Receipts return. This had a value of £2.6 million.

Certification and assurance results (Pages 4-5)

Housing Subsidy Benefit Claim

Our certification work on Housing Subsidy Benefit claim included:

- agreeing standard rates, such as for allowances and benefit incomes, to the DWP Circular communicating the value of each rate for the year;
- sample testing of benefit claims to confirm that the entitlement had been correctly calculated and was supported by appropriate evidence;
- undertaking an analytical review of the claim form considering year-on-year variances and key ratios;
- confirming that the subsidy claim had been prepared using the correct benefits system version; and
- completing testing in relation to modified schemes payments, uncashed cheques and verifying the accurate completion of the claim form.

Following the completion of our work, the claim was qualified. The claim was also adjusted to correct minor errors identified by management after the original claim had been submitted. There was no impact on the amount of subsidy due to the Authority as a result of these adjustments.

Pooling of Housing Capital Receipts Return

Our work was carried out in accordance with the instructions agreed with DCLG and required us to confirm whether specified entries on the Return were consistent with the applicable criteria. We gave an unqualified Accountant's Report on the return. No amendments were made to the return.

Recommendations

There are no recommendations to the Authority arising from our work this year.

Fees

The indicative fee for our work on the Authority's 2016/17 Housing Benefit Subsidy was set by Public Sector Audit Appointments at £15,146.

Our fee of £3,500 for the Pooling of Housing Capital Receipts return engagement was agreed directly with the Authority.

Summary of reporting outcomes

Overall, we carried out work on 2 grants and returns:

- One was qualified; and
- One was unqualified.

The fee charged for our Housing Benefit Subsidy work was the same as the indicative fee set by the PSAA.

The fee charged for the Pooling of Housing Capital Receipts Return was consistent with the fee agreed directly with you.

We have made no recommendations as a result of the work carried out this year.

Detailed below is a summary of the reporting outcomes from our work on the Authority’s 2016/17 grants and returns, showing where either audit amendments were made as a result of our work or where we had to qualify our audit certificate or assurance report.

A qualification means that issues were identified concerning the Authority’s compliance with a scheme’s requirements that could not be resolved through adjustment. In these circumstances, it is likely that the relevant grant paying body will require further information from the Authority to satisfy itself that the full amounts of grant claimed are appropriate.

	Comments overleaf	Qualified	Significant adjustment	Minor adjustment	Unqualified
Public Sector Audit Appointments regime					
— Housing Benefit Subsidy	1	●		●	
Other assurance engagements					
— Pooling of Housing Capital Receipts	2				●

Summary of certification work outcomes

This table summarises the key issues behind each of the adjustments or qualifications that were identified on the previous page.

Ref	Summary observations	Amendment
1	<p>Housing Benefit Subsidy</p> <ul style="list-style-type: none"> ■ We found a number of errors in our Rent Allowances sample testing which we needed to report as the populations were too large for 100% testing. They related to the following: <ul style="list-style-type: none"> ■ Incorrect processing of earnings ■ We found a number of errors in our Rent Rebates sample testing which we needed to report as the populations were too large for 100% testing. They related to the following: <ul style="list-style-type: none"> ■ Ineligible Overpayments included in the subsidy claim ■ The errors we identified were not significant. However, as recommended in our Annual Report on Grants and Returns last year the Authority should review the errors noted in our Qualification Letter and consider additional quality control arrangements to address these issues. ■ We reported our findings to the Department of Work and Pensions (DWP) in the Qualification Letter which we submitted with the certified claim. DWP will consider the findings of the certification work, and may contact officers to request additional work on the issues identified. 	<p>Not applicable</p>

Fees

Our fees for the Housing Benefit Subsidy claim are set by Public Sector Audit Appointments.

Our fees for other assurance engagements on grants/returns are agreed directly with the Authority.

The overall fees we charged for carrying out all our work on grants/returns in 2016/17 was £18,646.

Public Sector Audit Appointments certification arrangements

Public Sector Audit Appointments set an indicative fee for our work on the Authority's Housing Benefit Subsidy claim in 2016/17 of £15,146. Our actual fee was the same as the indicative fee, and this compares to the 2015/16 fee for this claim of £19,990.

Grants subject to other engagements

The fees for our work on other grants/returns are agreed directly with the Authority. Our fees for 2016/17 were less than those in 2015/16.

Breakdown of fees for grants and returns work

Breakdown of fee by grant/return		
	2016/17 (£)	2015/16 (£)
Housing Benefit Subsidy claim	£15,146	£19,990
Pooling of Housing Capital Receipts	£3,500	£3,000
Total fee	£18,646	£22,990

Recommendations

There were no recommendations raised in 2016-17.

Prior year recommendations

We made one recommendation in our 2015/16 Certification of Grants and Returns Annual Report. Where recommendations have not yet been implemented fully we have detailed their current status below.

Prior year recommendation	Priority	Status as at January 2018	Management comments
Theme heading			
<p>1 Staff Training</p> <p>We recommended that the Authority organises training for the inexperienced staff and involve the members with prior experience of completing the workbooks to improve the audit process and meet the submission deadlines.</p>	<p>1</p>	<p>In Progress</p> <p>We acknowledge that the Authority organised staff trainings which resulted in the improvements of the quality of the workbooks provided.</p> <p>However, as agreed with the Authority there is still some improvement required in the processing of the benefits correctly on a timely basis to minimise the errors, for which further trainings will be organised going forward.</p>	<p>The audit once again identified an issue with a number of claims where the calculation of earnings was incorrect. Some improvement has been made over the last year, however it is acknowledged that further training of benefit assessors is necessary in order to continue this improvement. We have already scheduled 3 full days of Earned Income training on 24th, 26th and 31st January 2018 for all benefit assessors. Ongoing monitoring of output will continue in order to track performance and identify any individual officers who continue to make errors.</p>



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