



Uttlesford District Council

Chief Executive: Dawn French

SUPPLEMENTARY PACK

Governance, Audit and Performance Committee

Date: Thursday, 7th February, 2019

Time: 7.30 pm

Venue: Committee Room - Council Offices, London Road, Saffron Walden,
Essex CB11 4ER

Chairman: Councillor E Oliver

Members: Councillors G Barker, J Davey, J Gordon, N Hargreaves, S Harris,
D Jones (Vice-Chair), G LeCount, B Light and G Sell

ITEMS WITH SUPPLEMENTARY INFORMATION PART 1

Open to Public and Press

4 Benefits Subsidy Audit 2017/18

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EY: Certification of claims and returns annual report 2017/18



Uttlesford District Council

Chief Executive: Dawn French

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Uttlesford District Council

Certification of claims and returns annual report 2017/18

30 January 2019



Audit and Performance Committee
Uttlesford District Council
Council Offices
London Road
Saffron Walden
CB11 4ER

30 January 2019

Dear Committee Members

We are pleased to report on our certification work. This report summarises the results of our work on Uttlesford District Council's 2017/18 claims and returns.

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 reporting accountants 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 2017/18, 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.

Summary

Section 1 of this report outlines the results of our 2017/18 certification work and highlights the significant issues.

We checked and certified the housing benefits subsidy claim with a total value of £15,588,959. We met the submission deadline. We issued a qualification letter and details of the qualification matters are included in section 1.

Fees for certification and other returns work are summarised in section 2. The housing benefits subsidy claim fees for 2017/18 were published by the Public Sector Audit Appointments Ltd (PSAA) and are available on the PSAA's website (www.psaa.co.uk).

We welcome the opportunity to discuss the contents of this report with you at the forthcoming Audit and Performance Committee.

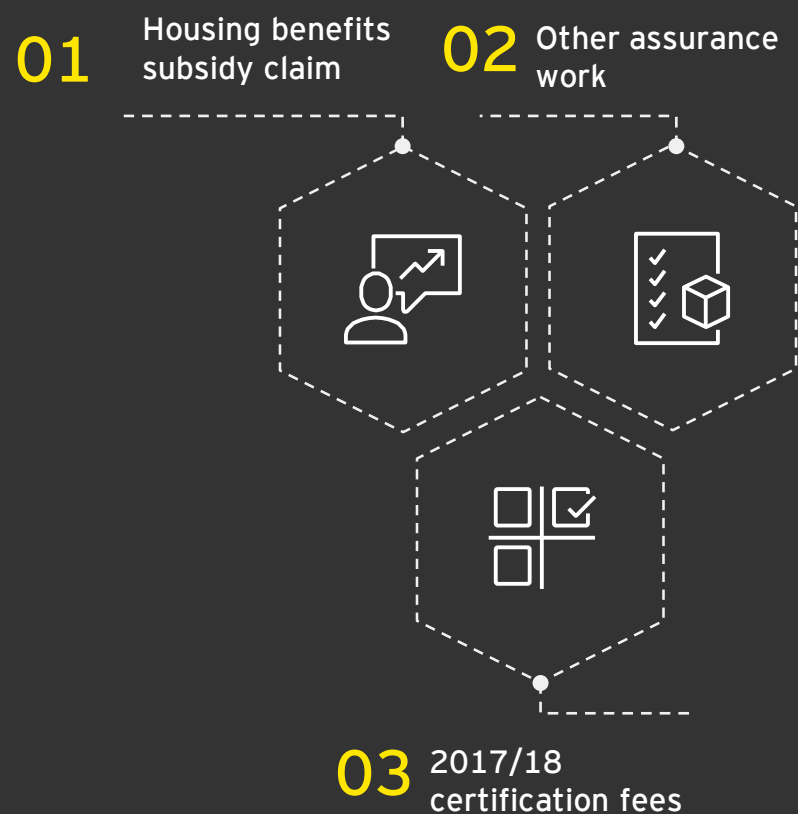
Yours faithfully

Mark Hodgson

Mark Hodgson

Associate Partner
For and on behalf of Ernst & Young LLP
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This report is made solely to the Audit and Performance Committee and management of Uttlesford District Council. Our work has been undertaken so that we might state to the Audit and Performance Committee and management of Uttlesford District 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 and Performance Committee and management of Uttlesford District 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	£15,588,959
Amended/Not amended	Amended
Qualification letter	Yes
Fee - 2017/18	£22,808
Fee - 2016/17	£19,427

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 no 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 main issues we reported are:

Description of Cell	Nature of Error
Cell 067: Rent Rebates - Eligible Overpayments (Current year)	<p>In 2016/17 we identified errors where the Authority had incorrectly classified overpayments as eligible rather than as Local Authority error. Our 2017-18 '40+' testing of claims within cell 067 identified 1 instance where the overpayment has been incorrectly classified as an eligible overpayment rather than as Local Authority error in cell 065.</p> <p>We reported an extrapolation in the Qualification Letter with an extrapolated impact of £2,446, following DWP's extrapolation methodology.</p>
Cell 094: Rent Allowance - Total Expenditure (Benefit Granted)	<p>In 2016/17 we identified errors where the Authority had incorrectly assessed earned income. Our 2017/18 '40+' sub population testing of claims with earned income identified 3 underpayments and 1 no impact fail.</p> <p>As there were no fails leading to overpayment of benefit there is no requirement to extrapolate as it could not lead to an overpayment of benefit. For completeness, we reported this in the Qualification Letter.</p>



02

Other assurance work





Other assurance work

During 2017/18 we also acted as reporting accountants in relation to the following scheme:

- Pooling of Housing Capital Receipts (CFB06)

We have provided a separate report to the Council in relation to this return. This work has been undertaken outside the PSAA regime. The fee 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.

The Authority is reporting £1.6 million in capital receipts that are subject to pooling.

We reported that we had identified a net difference of £348.10 in our report to the Department. We did not identify any other 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 £'s	Indicative fee £'s	Actual fee £'s
Housing benefits subsidy claim	22,808	22,808	19,427
Pooling of Housing Capital Receipts (CFB06)	2,500	2,500	2,500
Total certification fees	25,308	25,308	21,927

The indicative fee for 2017/18 is based on the actual fee for 2015/16.

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