

EXTERNAL AUDIT – HOUSING BENEFIT SUBSIDY 2013/14

Audit Committee – 13 January 2015

Report of Chief Finance Officer

Status: For Information

Key Decision: No

This report supports the Key Aim of providing value for money.

Portfolio Holder Cllr. Ramsay

Contact Officer(s) Adrian Rowbotham Ext. 7153

Recommendation to Audit Committee: That the report be noted.

Introduction

- 1 Grant Thornton, as the Council's external auditor, is required to certify certain grant claims submitted by the Council. This certification typically takes place six to nine months after the claim period and represents a final but important part of the process to confirm the Council's entitlement to funding.
- 2 Only one claim was certified for 2013/14, the Housing Benefit Subsidy Claim, relating to expenditure of £29m.
- 3 In previous years, there was also a requirement to certify the National Non-Domestic Rates Return, but following the change to the business rates retention scheme on 1 April 2013, this is no longer required. Council Tax Benefits were also replaced by the Local Council Tax Support Scheme on 1 April 2013 removing the requirement for that to be certified

Audit Outcome

- 4 Housing Benefit Subsidy is a complex claim which was qualified but not amended.
- 5 Errors were identified in the 2013/14 return; however the number continues to reduce each year. This reflects the measures taken to update the system, increase training and the quality assurance process. Although the impact of these errors on the value of the overall claim was relatively minimal, it is important to claimants that their benefit is calculated correctly. The Department for Work and Pensions (DWP) stipulates high standards of accuracy resulting in any claims being incorrect by as little as 1p are classified as errors and additional testing is then required on a larger sample.

- 6 The audit fee for grant claims in 2013/14 is £19,000 (subject to confirmation). This is less than the £20,638 charged in 2012/13 and £51,662 charged in 2011/12.

Actions being taken

- 7 There was one recommendation included in the Action Plan which was the following:
- Review and training to address issues identified by the 2013/14 audit including
 - Calculation of claimant employed earnings,
 - Calculation of claimant self employed earnings.
- 8 The actions being taken by the Benefits Manager and Quality Manager are to carry out on-going quality checking and put a training programme in place.

Key Implications

Financial

The financial implications are included elsewhere in the report.

Legal Implications and Risk Assessment Statement.

There are no legal implications.

The work carried out by the external auditors provides a thorough examination of the grant claim processes of the Council. Any significant issues found are reported to Members.

Equality Assessment

The decisions recommended through this paper have a remote or low relevance to the substance of the Equality Act. There is no perceived impact on end users.

Appendices None

Background Papers: None

Adrian Rowbotham
Chief Finance Officer