

EXTERNAL AUDIT - HOUSING BENEFIT SUBSIDY 2014/15

Audit Committee - 12 January 2016

Report of Chief Finance Officer

Status: For Information

Key Decision: No

Portfolio Holder Cllr. Searles

Contact Officer 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 2014/15, the Housing Benefit Subsidy Claim, relating to expenditure of £30m.

Audit Outcome

- 3 Housing Benefit Subsidy is a complex claim which was qualified but not amended.
- 4 Errors were identified in the 2014/15 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.
- 5 The audit fee for grant claims in 2014/15 is £16,460 (subject to confirmation). This is less than the £19,000 charged in 2013/14, £20,638 charged in 2012/13 and £51,662 charged in 2011/12.

6 The following table shows an analysis of where errors found resulted in adjustments to the grant claim:

Cell description	Cell Total £	Sample No.	Sample £	Error No.	Error £	Error %	Adjustment made £
Underpaid benefit - calculation of the Local Housing Allowance (LHA) rate: error in calculation of employed earnings	7,197,264	60	188,580	1	-0.41	0.00%	-14
Rent Allowances - Eligible Overpayments (Current Year)	435,072	63	8,292	1	-63	-0.01%	-3,481

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