

Certification of claims and returns annual report 2015-16

Havant Borough Council

January 2017

Ernst & Young LLP



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The Members of the Governance and Audit Committee
Havant Borough Council
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Ref: HBC/claims/2015-16

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Dear Members

Certification of claims and returns annual report 2015-16 Havant Borough Council

We are pleased to report on our certification and other assurance work. This report summarises the results of our work on Havant Borough Council's 2015-16 claims.

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 auditors 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 2015-16, 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 and did not undertake an audit of the claim.

Summary

Section 1 of this report outlines the results of our 2015-16 certification work and highlights the significant issues.

We checked and certified the housing benefits subsidy claim with a total value of £32,520,000. We met the submission deadline. We did not issue a qualification letter as there were no errors found in our sample testing. Further details are included in section 1.

Fees for certification and other returns work are summarised in section 2.

We welcome the opportunity to discuss the contents of this report with you at the 8 March 2017 meeting of the Governance & Audit Committee.

Yours faithfully

Andrew Brittain
Executive Director
Ernst & Young LLP
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1. Housing benefits subsidy claim

Scope of work	Results
Value of claim presented for certification	£32,520,000
Amended/Not amended	Not Amended
Qualification letter	No
Fee – 2015-16	£9,240
Fee – 2014-15	£17,840

Recommendations from 2014-15

None

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.

No errors were noted within our initial testing of Rent Allowances, Rent Rebates (Non-Housing Revenue Account) and Modified Scheme expenditure. As a result, no additional testing was required and we did not need to qualify or make amendments to the claim. This is in addition to the prescribed certification instruction work which did not identify any errors.

2. 2015-16 certification fees

The PSAA determine a scale fee each year for the audit of claims and returns. For 2015-16, these scale fees were published by the Public Sector Audit Appointments Ltd (PSAA) in March 2015 and are now available on the PSAA's website (www.psa.co.uk).

Claim or return	2015-16	2015-16	2014-15
	Actual fee £	Indicative fee £	Actual fee £
Housing benefits subsidy claim	9,240	9,240	17,840

3. Looking forward

The duty to make arrangements for the certification of relevant claims and returns and to prescribe scales of fees for this work is delegated to PSAA by the Secretary of State for Communities and Local Government.

The Council's indicative certification fee for 2016-17 is £13,380. This was prescribed by PSAA in March 2016, based on no changes to the work programme for 2015-16. Indicative fees for 2016-17 housing benefit subsidy certification work are based on final 2014-15 certification fees. PSAA reduced scale audit fees and indicative certification fees for most audited bodies by 25 per cent based on the fees applicable for 2014-15.

Details of individual indicative fees are available at the following web address:
<http://www.psaa.co.uk/audit-and-certification-fees/201617-work-programme-and-scales-of-fees/individual-indicative-certification-fees/>

We must seek the agreement of PSAA to any proposed variations to these indicative certification fees. We will inform the Head of Finance and Assets before seeking any such variation.

PSAA is currently consulting on the 2017-18 work programme. There are no changes planned to the work required and the arrangements for certification of housing benefit subsidy claims remain in the work programme. However, this is the final year in which these certification arrangements will apply. From 2018-19, the Council will be responsible for appointing their own auditor and this is likely to include making their own arrangements for the certification of the housing benefit subsidy claim in accordance with the requirements that will be established by the DWP.

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