

Certification of housing benefit claim report 2017-18

Rushmoor Borough Council

28 January 2019

Ernst & Young LLP



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Dear Members

Certification of Housing Benefit claim report 2017-18

We are pleased to report on our housing benefit certification work for the Council's 2017-18 housing benefit claim.

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 £35,785,954. We issued a letter to the DWP with observations in, ahead of the deadline. It was not necessary to amend the claim.

We welcome the opportunity to discuss the contents of this report with you at the Licensing, Audit and General Purposes Committee on 28 January 2019. We would like to thank the Council's officers for their help. The certification process requires considerable input from them to be carried out efficiently and we are most grateful for their assistance.

Yours faithfully

Andrew Brittain
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1. Housing benefits subsidy claim

Scope of work	Results
Value of claim presented for certification	£35,785,954
Amended/Not amended	Not amended
Qualification letter	Letter issued to the DWP with observations only
Fee – 2017-18	£8,652
Fee – 2016-17	£7,511

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 auditors 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 audit of previous year's claims.

For the 2017/18, HB audit, we carried out extended testing on two errors identified within Rent Allowances (Cell 94). On receipt of our letter, the DWP may decide whether to ask the Council to carry out further work to quantify the error or to claw back the benefit subsidy paid.

These are the main items we reported:

Cell 94 Rent Allowances – Total expenditure (Benefit Granted)

- Cell total: £35,785,954
- Cell population: 7,372
- Headline Cell: £35,785,954

Testing of the initial sample of 20 claims identified:

- one error where earnings had been incorrectly calculated; and
- one error where the incorrect attendance allowance had been used where the 17/18 uprating was not correctly applied. However, as attendance allowance is disregarded in full, this error had no impact on the subsidy.

In view of this, an additional random sample of 40 cases was selected from both the sub-populations of rent and earnings cases in 2017/18. Testing of the additional sample identified one error where the benefit was underpaid and another error which had no impact on the benefit. As there was no overstatement of the claim, the identified errors were not extrapolated. We reported these observations to the DWP in a letter and stated that there was no impact on the claim.

2. 2017-18 certification fees

The PSAA determine a scale fee each year for the audit of claims and returns. For 2017-18, these scale fees were published by the Public Sector Audit Appointments Ltd (PSAA's) in March 2017 and are now available on the PSAA's website (www.psaa.co.uk).

Claim or return	2017-18	2017-18	2016-17
	Actual fee £	Indicative fee £	Actual fee £
Housing benefits subsidy claim	8,652	8,652	7,511

No changes to the 2017-18 fees are proposed.

3. Looking forward

2018/19

From 2018-19, the Council is responsible for appointing their own reporting accountant to undertake the certification of the housing benefit subsidy claim in accordance with the Housing Benefit Assurance Process (HBAP) requirements that are being established by the DWP. DWP's HBAP guidance has now been published.

The Council has not appointed EY as its reporting accountant from 2018-19 and therefore 2017-18 was our last year as the Council's reporting accountant for housing benefit.

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