



Annual report on grants and returns 2016/17

Barnsley Metropolitan Borough Council

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Headlines

Introduction and background

This report summarises the results of work we have carried out on the Council's 2016/17 grant claims and returns.

This includes the work we have completed under the Public Sector Audit Appointment certification arrangements, as well as the work we have completed on other grants/returns under separate engagement terms. The work completed in 2016/17 is:

- Under the Public Sector Audit Appointments arrangements we certified one claim – the Council's 2016/17 Housing Benefit Subsidy claim. This had a value of £74,204,708
- Under separate engagements we issued reports on two returns as listed below.
 - Teacher's Pension Return. This included employers contributions of £6,324,932.77.
 - Pooled Housing Capital Receipts Return. The total receipts subject to pooling was £7,354,491.67.

Certification and assurance results (Pages 4-5)

Our certification work on Housing Subsidy Benefit claim included:

- agreeing standard rates, such as for allowances and benefit incomes, to the DWP Circular communicating the value of each rate for the year;
- sample testing of benefit claims to confirm that the entitlement had been correctly calculated and was supported by appropriate evidence;
- undertaking an analytical review of the claim form considering year-on-year variances and key ratios;
- confirming that the subsidy claim had been prepared using the correct benefits system version; and
- completing testing in relation to modified schemes payments, uncashed cheques and verifying the accurate completion of the claim form.

Following the completion of our work, the claim was subject to a qualification letter.

- Testing of Rent Allowances identified one case in which benefit was underpaid and two cases in which benefit was overpaid totalling £164, this was adjusted in the system in 2017/18.
- Testing of Non-HRA Rent Rebates identified two cases in which benefit was underpaid and one case in which benefit was overpaid by £44, this was adjusted in the system in 2017/18.
- Testing of Rent Rebates identified one case in which expenditure was misclassified and one case in which benefit was overpaid by £788, this was adjusted in the system in 2017/18.
- None of these errors were identified in 2015/16. Additional testing of similar cases in 2016/17 enabled us to conclude that the cases were isolated errors in seven of eight cases, one error was extrapolated.

One adjustment was necessary to the Housing Benefit Subsidy claim as a result of our certification work this year.

- An amendment was made for the value of a cell in the return which was mistyped, there was no impact on the subsidy claimed; and
- There were no amendments in the previous year.

No adjustments were necessary to the other Council's grants and returns as a result of our certification work this year, which is the same as on previous years.

Recommendations

We have made no recommendations to the Council from our work this year and agreed an action plan with officers. There were no recommendations outstanding from previous years' work on grants and returns.

Fees (Page 6)

Our fee for certifying the Council's 2016/17 Housing Benefit Subsidy grant was £22,118, which is in line with the indicative fee set by PSAA.

Our fees for the other engagements were subject to agreement directly with the Council and were:

- Teacher's Pension Authority Return – £3,500
- Pooled Housing Capital Receipts Return – £4,250

Summary of reporting outcomes

Overall, we carried out work on three grants and returns:

- Two were unqualified with no amendment; and
- One required a qualification to our audit certificate.

Detailed comments are provided overleaf.

Detailed below is a summary of the reporting outcomes from our work on the Council’s 2016/17 grants and returns, showing where either audit amendments were made as a result of our work or where we had to qualify our audit certificate or assurance report.

A qualification means that issues were identified concerning the Council’s compliance with a scheme’s requirements that could not be resolved through adjustment. In these circumstances, it is likely that the relevant grant paying body will require further information from the Council to satisfy itself that the full amounts of grant claimed are appropriate.

	Comments overleaf	Qualified	Significant adjustment	Minor adjustment	Unqualified
Public Sector Audit Appointments regime					
— Housing Benefit Subsidy	1	●		●	
Other grant/return engagements					
— Teacher’s Pension Return					●
— Pooled Housing Capital Receipts Return					●
		1	0	1	2

Summary of certification work outcomes

This table summarises the key issues behind each of the adjustments or qualifications that were identified on the previous page.

Ref	Summary observations	Amendment
1	<p>Included in the Housing Benefit Subsidy Qualifications were:</p> <ul style="list-style-type: none"> — Testing of Non Housing Revenue Account (NHRA) Rent Rebates identified one case was identified where benefit had been underpaid as a result of the Authority not updating the increased site fee in the weekly award calculation. — Testing of NHRA Rent Rebates identified one case was identified where benefit had been underpaid as a result of the Authority misclassifying a prior year underpayment as a current year underpayment. — Testing of NHRA Rent Rebates identified one case where benefit had been overpaid as a result of the Authority failing to make a non-dependant deduction once a dependant reached 18 years of age. — Testing of Rent Rebates identified one case where benefit had been overpaid as a result of the Authority entering a tax deduction from a Pension when no deduction was made. — Testing of Rent Rebates identified one case where underlying entitlement had been awarded for the incorrect period. — Testing of Rent Allowances identified one case where benefit had been underpaid as a result of the Authority using the incorrect end date to calculate the claimant’s eligible amount; — Testing of Rent Allowances identified one case where the Authority had overpaid benefit as a result of applying the incorrect Local Housing Allowance (LHA) rate due to the claimant living in shared accommodation despite being of an age to qualify for the one bedroom LHA rate; and — Testing of Rent Allowances identified one case where the Authority had overpaid benefit as a result of incorrectly removing Child Tax Credits from the claim when the claimant was still in receipt of the income — An amendment was made to the claim form for an error on completion with no impact on the subsidy claimed. — We have not identified similar errors in the previous year. 	<p>nil</p>

Fees

Our fees for the Housing Benefit Subsidy claim are set by Public Sector Audit Appointments.

Our fees for other assurance engagements on grants/returns are agreed directly with the Council.

The overall fees we charged for carrying out all our work on grants/returns in 2016/17 was £29,868.

Public Sector Audit Appointments certification arrangements

Public Sector Audit Appointments set an indicative fee for our work on the Council's Housing Benefit Subsidy claim in 2016/17 of £22,118 fee. Our actual fee was the same as the indicative fee, and this compares to the 2015/16 fee for this claim of £15,236.

Grants subject to other engagements

The fees for our work on other grants/returns are agreed directly with the Council. Our fees for 2016/17 were in line with those in 2015/16.

Breakdown of fees for grants and returns work

Breakdown of fee by grant/return		
	2016/17 (£)	2015/16 (£)
Housing Benefit Subsidy claim	22,118	15,236
Teacher's Pension Authority Return	3,500	3,500
Pooled Housing Capital Receipts Return	4,250	4,250
Total fee	29,868	22,986



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