



Annual Report on grants and returns 2015/16

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 2015/16 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 2015/16 is:

- Under the Public Sector Audit Appointments arrangements we certified the Council's 2015/16 Housing Benefit Subsidy claim. This had a value of £76,366,365
- Under separate assurance engagements we certified two claims/returns as listed below.
 - Teachers Pension Return. This included employers contributions of £9,988,137
 - Pooled Housing Capital Receipts Return. The total receipts subject to pooling was £5,563,536

Certification and assurance results (Pages 3-4)

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.

- In year reconciliation cells has small variances of £363 and £51.
- Testing of Rent Allowances identified two cases in which benefit was underpaid.
- Testing of Non-HRA Rent Rebates identified one case where benefit was overpaid by £69 this was adjusted in the system in 2016/17.
- Testing of Rent Rebates identified two case's in which benefit was overpaid by £700 this was adjusted in the system in 2016/17.
- None of these errors were identified in 2014/15. Additional Testing of similar cases in 2015/16 enabled us to conclude that the cases were isolated errors.

The detail of these errors is included on page 5

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. There were no recommendations outstanding from previous years' work on grants and returns.

Fees (Page 6)

Our fee for certifying the Council's 2015/16 Housing Benefit Subsidy grant was £15,236 which is in line with the indicative fee set by PSAA.

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

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

Summary of reporting outcomes

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

- two were unqualified with no amendment; and
- one 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 2015/16 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 possible that the relevant grant paying body may 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 assurance engagements					
— Teacher’s Pension Return					●
— Pooled Housing Capital Receipts Return					●
		1	0	0	2

Summary of certification work outcomes

This table summarises the key issues behind each of the 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"> ■ The in year reconciliation cells did not agree for cell 55 by (£363), and Cell 94 by (£51); ■ Testing of Rent Allowances identified one case where the income had been incorrectly averaged for a quarterly paid pension. This led to an underpayment of benefit; ■ Testing of Rent Allowances identified one case where the previous year’s LHA rate had been used in error for the eligible rent. This led to an underpayment of benefit; ■ Testing of Non-HRA Rent Rebates identified one case where the income was miscalculated due to a tax refund on a wage slip. This led to an overpayment of benefit of £68.76. Additional testing enabled us to conclude that this was an isolated error; ■ Testing of Rent Rebates identified one case where the Working and Child Tax Credits were not included in the income calculation immediately after coming off passported benefit. This led to an overpayment of benefit of £78.58. Additional testing enabled us to conclude that this was an isolated error; and ■ Testing of Rent Rebates identified one case where the Authority had not demonstrated that a foreign national coming off passported benefit had workers rights. This had led to an overpayment of benefit of £621.28. Additional testing had enabled us to conclude that this was an isolated error. <p>We have not identified similar errors in the last two years.</p>	0

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 2015/16 was £22,986

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 2015/16 of £15,236. Our actual fee was the same as the indicative fee, and this compares to the 2014/15 fee for this claim of £29,490.

Grants subject to other assurance engagements

The fees for our assurance work on other grants/returns are agreed directly with the Council. Our fees for 2015/16 were the same as in 2014/15.

Breakdown of fees for grants and returns work

The table below shows details of the fees charged.

Breakdown of fee by grant/return		
	2015/16 (£)	2014/15 (£)
Housing Benefit Subsidy claim	15,236	29,490
Teacher's Pension Authority Return	3,500	3,500
Pooled Housing Capital Receipts Return	4,250	4,250
Total fee	22,986	37,240



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