

HUNTINGDONSHIRE DISTRICT COUNCIL

Title/Subject Matter: Grant Certification 2014/15
Meeting/Date: Corporate Governance Panel 9 March 2016
Executive Portfolio: Resources: Councillor J A Gray
Report by: Finance Manager
Ward(s) affected: All Wards

Executive Summary:

In 2014/15, the Council received £35m in Housing Benefit grant from central government. This grant is subject to external audit as part of the control framework, and the Council auditors, PricewaterhouseCoopers complete this work.

The auditors are required to report their findings to “those charged with governance” through the Annual Certification Report, which is attached as Appendix 1.

Minor errors were identified resulting in additional testing. The consequential impact of this additional testing is an additional charge of £4,983.

Recommendation(s):

It is recommended that the Panel comment on the content of the external auditor’s Annual Certification Report 2014/15.

1. WHAT IS THIS REPORT ABOUT

- 1.1 To report to the Panel, as those charged with governance, the conclusions and recommendations of the Annual Certification Report 2014/15.

2. BACKGROUND

- 2.1 In 2014/15 the Council received £35.3m of Housing Benefit grant. This scheme is subject to external audit by the Councils appointed external auditor. The findings are required to be reported to "those charged with governance", which is the Corporate Governance Panel. The report is attached as Appendix 1.

3. ANALYSIS

Certification results

- 3.1 The testing performed by the Councils external auditor identified two issues in respect of the Council's compliance with the scheme regulations, both of these are discussed below:
- i. Errors in the classification of overpayments were identified during the initial testing of 20 samples and the total of these errors amounted to £171.91. Further sample testing of 40 cases identified no further misclassifications. Extrapolating the error rate across the claim resulted in additional subsidy of £3,090 being paid to HDC.
 - ii. In the additional sample testing of 40 rent allowances cases, errors of £44.43 were identified from 8 cases. This had no subsidy/financial impact.

The total value of the 2014/15 error is £216: when compared to the:

- total benefits budget of £35m, the error is tiny.
- to the preceding year (the total error was £205), the 2014/15 error is not out of line.

4. KEY IMPACTS/RISKS? HOW WILL THEY BE ADDRESSED?

- 4.1 Members should note that there is no materiality on external audit grant certification work for the Department of Works and Pensions. If an error is identified, the audit instructions require that additional testing must be undertaken and this will attract an additional charge.
- 4.2 The original indicative fee for the audit of the Housing Benefits Scheme grant claims was £18,380. However, as errors were found in the initial testing there was a requirement to undertake additional testing, this has resulted in a further charge of £4,983 giving a total audit cost of £23,363, £818 less than in 2013/14.

5. WHAT ACTIONS WILL BE TAKEN/TIMETABLE FOR IMPLEMENTATION

- 5.1 The Benefits Section undertakes on-going accuracy checks and carries out monthly training sessions for the team in order to minimise the number of errors and this process will continue. Within the context of the overall claim, the number and value of the errors identified are minimal.

6. LINK TO THE CORPORATE PLAN

6.1 The Annual Certification Report is a regulatory requirement.

7. CONSULTATION

7.1 No consultation is required for this report.

8. LEGAL IMPLICATIONS

8.1 There are no direct legal implications arising from this report.

9. RESOURCE IMPLICATIONS

9.1 The external audit budget for 2014/15 was £116,000 and accommodated this additional cost of £4,983.

10. OTHER IMPLICATIONS

10.1 No other implications are known at this time

11 REASONS FOR THE RECOMMENDED DECISIONS

11.1 The findings from the Annual Certification Report are required to be reported to those “charged with governance”, which is the Corporate Governance Panel.

12. LIST OF APPENDICES INCLUDED


Appendix 1 – Annual Certification Report 2014/15

BACKGROUND PAPERS


None

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