



Annual Report on grants and returns 2015/16

Rotherham 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 one claim
 - the Council's 2015/16 Housing Benefit Subsidy claim. This had a value of £90,348,575.
- Under separate assurance engagements we certified two claims/returns as listed below.
 - Teachers Pension EOYCa Return; and
 - Pooling of Housing Capital Receipts Return.

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.

- Minor errors were found in relation to the calculation of rent allowances, but these did not result in an amendment; and
- Minor errors were identified in the application of war pension uprating and mobility disregard. The Authority undertook additional testing and found further errors. The Authority plans to amend these errors in their 2016/17 return (see page 5 for further detail).

No adjustments were necessary to the other Council's grants and returns as a result of our certification work this year. This is in line with previous years.

Recommendations

We have made no recommendations to the Council from our work this year.

In addition 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 £15,497, 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:

- Teachers Pension EOYCa Return - £3,250
- Pooling of Housing Capital Receipts Return - £2,500

These are in line with the fees for prior year.

Summary of reporting outcomes

Overall, we carried out work on 3 grants and returns:

- 2 were unqualified with no amendment;
- 1 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 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 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 assurance engagements					
— Teachers Pension EOYCa Return					
— Pooling of Housing Capital Receipts Return					

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>Housing Benefit Return</p> <p>The following issues were identified as a result of our testing:</p> <ul style="list-style-type: none"> - Weekly earned income: <ul style="list-style-type: none"> - Two instances where the Authority input an incorrect amount that had no impact on the amount claimed. - One instance where the Authority input an incorrect amount which led to an overpayment, but the impact on the return was nil. - Two instances where the Authority input an incorrect amount which led to underpayments. As there is no eligibility for subsidy for benefit which has not been paid, these did not impact the subsidy, and were not classified as errors for subsidy purposes. - Two errors in relation to one case <ul style="list-style-type: none"> - Firstly not uprating the war pensions correctly in past years; and - secondly not disregarding the mobility disregard. <p>The net impact of these errors was an overstatement of £1,585 in cells 214 and 225 and a corresponding understatement in cells 55 and 61. These had an impact on the subsidy claimed as cell 214 attracts 75% subsidy and cell 61 attracts 100% subsidy. Due to the nature of this error, the Authority undertook additional testing of the relevant cells and found additional errors which resulted in an overall under claim of £1,689.59 by the Authority. It has been agreed with Department for Work and Pensions that the 2016/17 return can be amended for this, so there is no amendment required in the 2015/16 return.</p>	nil

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 £21,247.

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 £15,497. Our actual fee was the same the indicative fee, and this compares to the 2014/15 fee for this claim of £20,663. The reduction of 25% was set by PSAA.

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 in line with those in 2014/15.

Breakdown of fees for grants and returns work

Breakdown of fee by grant/return		
	2015/16 (£)	2014/15 (£)
Housing Benefit Subsidy claim	15,497	20,663
Teachers Pension EOYCa return	3,250	3,250
Pooling of Housing Capital Receipts return	2,500	2,500
Total fee	21,247	26,413



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