



Annual Report on grants and returns 2016/17

Rotherham Metropolitan Borough Council

January 2018



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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 £86,287,587
- Under separate engagements we issued reports on 2 claims/returns as listed below.
 - Teacher's Pension Return. This included employers contributions of £10,218,574.
 - Pooled Housing Capital Receipts Return. The total receipts subject to pooling was £4,456,709.

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 unqualified.

Various adjustments were necessary to the Housing Benefit Subsidy Claim as a result of our certification work this year.

- Testing of the Rent Rebates identified one instance of an overpayment of £41.39 and an underpayment of £2.45, due to a system glitch where there was a change in the ESA by error.
- Testing of the Rent Rebates identified various misclassification errors due to errors in date processing. Adjustments were made to cell 65 which was decreased by £286.14 and cell 67 was increased by £286.15. Cell 113 was decreased by £33.98 and cell 114 was increased by £33.98. Further to this, cell 65 was decreased by £139.72 and cell 67 was increased by £139.72. Finally, cell 113 was decreased by £58.14 and cell 114 was increased by £58.14.
- Testing of the Non-HRA Rent Rebates identified an error where there was a part week overpayment. This resulted in cell 12 being reduced by £153.03 and cell 13 being increased by £163.03.
- Testing of the Non-HRA Rent Rebates also identified an error relating to week one payments. An amendment was made to cell 38 to restate the value to £0. This was an administrative error.

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 5)

Our fee for certifying the Council's 2016/17 Housing Benefit Subsidy grant was £15,497, 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 – £3,280
- Pooled Housing Capital Receipts Return – £2,500

Summary of reporting outcomes





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

- Two were unqualified with no amendment;
- One was unqualified but required some amendment to the final figures; and
- None 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	2				
— Pooled Housing Capital Receipts Return	3				
		0	0	1	3

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> <ul style="list-style-type: none"> — Testing of the rent rebates identified there was a misclassification fail. This was an error in the input date for the evidence received so this showed as an LA error when in fact the evidence wasn't received until post payment. — Testing of the rent rebates identified an error where ESA had changed from a correct value to an incorrect value, causing overpayment. This was from a system glitch although it is not clear where the error came from. — Testing of Non HRA Rent Rebates identified the known error of the 12 / 13 split where there is a part week overpayment which doesn't split correctly between the two codes. — Testing of Non HRA Rent Rebates identified an error relating to week 1 payments. This was an administrative error by Rotherham MBC. — An amendment was made to the claim form for an error on completion with no impact on the subsidy claimed. 	<p>Amount owed by authority has reduced by £1,069</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 £21,277.

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 £15,497. Our actual fee was the same as the indicative fee, and this compares to the 2015/16 fee for this claim of £15,826.

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	15,497	15,826
Teacher's Pension Authority Return	3,280	3,280
Pooled Housing Capital Receipts Return	2,500	2,500
Total fee	21,277	21,606



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