



# Annual Report on grants and returns 2015/16

**Wiltshire Council**

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### 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 £116 million;
- Under separate assurance engagements we certified two returns as listed below:
  - Teachers' Pensions Contributions for the year ended 31 March 2016 with a value of £17 million; and
  - Pooling of Housing Capital Receipts 2015/16 with a value of £2 million.

### Certification and assurance results (Pages 3-4)

Our certification work on Housing Benefit Subsidy 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 as a result of:

- errors identified in relation to the recording of claimant income, rent liability and claim start dates; and
- the calculation and classification of overpayments.

Our work on the other grant assurance engagements resulted in reasonable assurance reports in relation to both the Teachers' Pension Contributions and Pooling of Housing Capital Receipts returns with no issues being reported.

Adjustments were necessary to one of the Council's grants and returns as a result of our certification work this year with the overall value of the Housing Benefit Subsidy claim being reduced by £9,725.

### Recommendations

We have made no recommendations to the Council from our work this year. This reflects the fact that those issues identified through our audit are not uncommon across the sector and arise from the large volume of claims being processed by the Council's benefits team throughout the year. We note that the level of errors identified is reduced from the prior year.

In addition there were no recommendations raised as a result of the previous years' work on grants and returns.

### Fees (Page 5)

Our fee for certifying the Council's 2015/16 Housing Benefit Subsidy grant was £16,916, 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:

- £3,000 for the certification of the Teachers' Pensions Contributions Return; and
- £3,000 for the certification of the Pooling of Housing Capital Receipts Return.

# Summary of reporting outcomes





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

- two were unqualified with no amendment;
- 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 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
<b>Public Sector Audit Appointments regime</b>					
— Housing Benefit Subsidy	1				
<b>Other assurance engagements</b>					
— Teachers’ Pensions Contributions	2				
— Pooling of Housing Capital Receipts.	3				
		1	-	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><b>Housing Benefit Subsidy</b></p> <p>As a result of our sample testing of claims we identified:</p> <ul style="list-style-type: none"> <li>— 31 errors (from a sample of 180 claims) in relation to the recording of income and rental figures. These resulted in both under and overpayments of benefits;</li> <li>— 21 inaccuracies (from a sample of 180 claims) in relation to the identification and classification of overpayments resulting in errors in the level of subsidy being claimed; and</li> <li>— Three instances where benefit payments had been incorrectly recorded as backdated payments where they should have been treated as standard benefit entitlement.</li> </ul> <p>Whilst the number of errors identified may appear relatively high, representing 14% of the overall sample, the average value of the errors was only £48 per claim compared to average claim values of £1,351. No adjustments were made to the claim in relation to these errors; rather the Department for Work &amp; Pensions will consider the results of this work and decide if any adjustment is required.</p> <p>In addition to the above we identified the following errors where the whole population could be tested and therefore an adjustment could be made:</p> <ul style="list-style-type: none"> <li>— 22 instances where non-dependent deductions had been incorrectly set at £1 when calculating the benefit entitlement; and</li> <li>— Nine instances where expenditure had been misclassified as a result of the rent officer referral being incorrectly recorded or not received.</li> </ul>	(£9,725)
2	<p><b>Teachers' Pensions Contributions</b></p> <p>No issues identified as a result of out certification work</p>	No Amendment
3	<p><b>Pooling of Housing Capital Receipts</b></p> <p>No issues identified as a result of out certification work</p>	No Amendment

## 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 £22,916.

### 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 £16,916. Our actual fee was the same as the indicative fee, and this compares to the 2014/15 fee for this claim of £28,220. The reduction in the fee compared to prior year is a result of the methodology used by Public Sector Appointments Limited in calculating the fee.

### Grants subject to other assurance engagements

The fees for our assurance work on other returns are agreed directly with the Council. Our fees for 2015/16 were the same as 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	16,916	28,220
Teachers' Pensions Contributions	3,000	3,000
Pooling of Housing Capital Receipts	3,000	3,000
<b>Total fee</b>	<b>22,916</b>	<b>34,220</b>



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