



Certification of claims and returns annual report 2017-18

Bracknell Forest Council

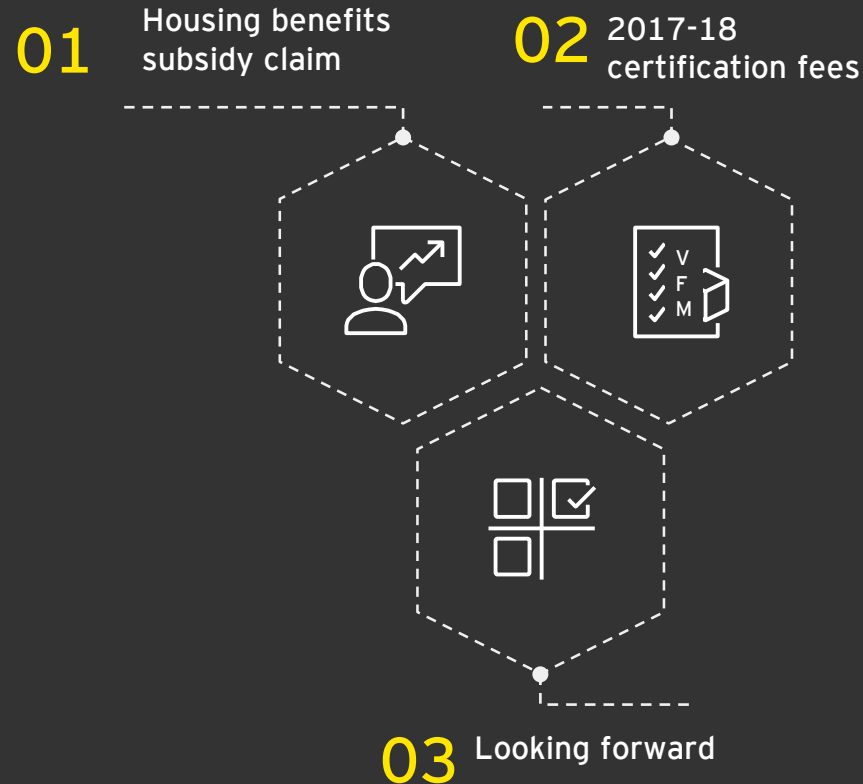
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In April 2015 Public Sector Audit Appointments Ltd (PSAA) issued "Statement of responsibilities of auditors and audited bodies". It is available from the via the PSAA website (www.PSAA.co.uk). The Statement of responsibilities serves as the formal terms of engagement between appointed auditors and audited bodies. It summarises where the different responsibilities of auditors and audited bodies begin and end, and what is to be expected of the audited body in certain areas. The "Terms of Appointment (updated February 2017)" issued by the PSAA sets out additional requirements that auditors must comply with, over and above those set out in the National Audit Office Code of Audit Practice (the Code) and in legislation, and covers matters of practice and procedure which are of a recurring nature. This report is made solely to the Governance and Audit Committee and management of Bracknell Forest Council. Our work has been undertaken so that we might state to the Governance and Audit Committee and management of Bracknell Forest Council those matters we are required to state to them in this report and for no other purpose. To the fullest extent permitted by law we do not accept or assume responsibility to anyone other than the Governance and Audit Committee and management of Bracknell Forest Council for this report or for the opinions we have formed. It should not be provided to any third-party without our prior written consent.



01

Housing benefits subsidy claim



Housing benefits subsidy claim

Scope of work	Results
Value of claim presented for certification	£29,493,421
Amended/Not amended	Not amended
Qualification letter	Yes
Fee - 2017-18	£23,823
Fee - 2016-17	£20,100

Local Government administers the Government's housing benefits scheme for tenants and can claim subsidies from the Department for Work and Pensions (DWP) towards the cost of benefits paid.

The certification guidance requires reporting accountants to complete more extensive '40+' or extended testing if initial testing identifies errors in the calculation of benefit or compilation of the claim. 40+ testing may also be carried out as a result of errors that have been identified in the certification of previous years claims.

We reported underpayments of housing benefit and the extrapolated value of other errors in a qualification letter to the DWP. The DWP then decides whether to ask the Council to carry our further work to quantify the error or to claw back the benefit subsidy paid. The main issue we reported on was:

► **Rent allowance - employed earnings**

Extended testing was performed on a sample of Rent Allowance employed earnings as a result of miscalculation errors identified in the prior year. Three cases resulted in overpayments of benefit with a total value of £254.48 and four cases resulted in underpayments of benefit with a total value of £582.78 (two cases had both under and overpayments due to multiple changes in employed earnings).

Our certification guidance required us to report the errors from our initial and extended samples to the DWP in our qualification letter, along with the extrapolated value of the overpayments of £6,396. Amendments have been made to the individual claims in 2018-19 to ensure that the benefit paid to claimants is corrected.



02

2017-18 certification fees





2017-18 certification fees

The PSAA determine a scale fee each year for the certification of the housing benefits subsidy claim. For 2017-18, these scale fees were published by the Public Sector Audit Appointments Ltd (PSAA's) and are available on their website (www.psa.co.uk).

Claim or return	2017-18 Actual fee £	2017-18 Indicative fee £	2016-17 Actual fee £
Housing benefits subsidy claim	23,823	25,075	20,100

The scale fees set by PSAA are based on the fee charged to the Council two years prior to the year in question.

The actual fee shown above for 2017-18 includes a proposed 20% refund to the Council in recognition that officers performed the initial case testing this year, which has been quantified as £5,015. This is partly offset by a proposed scale fee variation for additional extended testing performed compared with the base year of 2015-16, which has been quantified as £3,763. The proposed net fee reduction is therefore £1,252. This remains subject to final agreement with the PSAA.



03

Looking forward



Looking forward

2018/19 and beyond

From 2018/19, the Council is responsible for appointing its own reporting accountant to undertake the work on their claims in accordance with the instructions determined by the relevant grant paying body.

As your appointed auditor for the financial statements audit, we are pleased that for 2018-19 the Council has appointed us to act as reporting accountants in relation to the housing benefit assurance process.

We welcome this opportunity to continue undertaking this work for the Council providing a seamless quality service, drawing on vast array of experienced and knowledgeable public sector professionals in these areas, whilst realising the synergies and efficiencies that are achieved by undertaking both the audit and grant work.

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