



# Annual report on grants and returns 2016/17

**Blackpool Council**

February 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 £79.3 million; and
- under separate engagements we issued reports on two claims/returns as listed below.
  - DCLG Pooling of Housing Capital Receipts.
  - Teachers' Pension EOYCa return – £12.3 million.

### 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.

- Additional testing had to be performed on the claim because of the incorrect classification of overpayments had occurred in previous years. Testing of 40 cases identified two where an incorrect effective date had been used in the benefit calculation, leading to a misstatement within individuals cells. There was no impact on the headline cell however.

Our work on the other grant assurance engagements resulted in the following reports:

- The two certificates were issued with no amendments or qualifications being required.

No adjustments were necessary to the Council's grants and returns as a result of our certification work this year.

### Fees (Page 5)

Our fee for certifying the Council's 2016/17 Housing Benefit Subsidy grant was £13,658, which is in line with the indicative fee set by PSAA.

Our fees for the other grant/return engagements were subject to agreement directly with the Council totalled £5,845.

# Summary of reporting outcomes

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

- two were unqualified with no amendment; and
- 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 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 possible 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 grant/return engagements</b>					
– DCLG Pooling of Housing Capital Receipts					●
– Teachers’ Pensions EOYCa return					●
		1	0	0	2

# Summary of reporting outcomes (cont.)

This table summarises the key issues behind the qualification identified on the previous page.

Ref	Summary observations	Amendment
1	<p><b>Housing Benefit Subsidy</b></p> <ul style="list-style-type: none"> <li>- Prior year certification work identified instances where overpayments were incorrectly classified as 'claimant error, eligible overpayments'. These cases should have been classified as 'local authority delay or overpayment error'. In 2013/14, four such cases were reported, and while no amendment was made to the claim, the claim was qualified as a result.</li> <li>- Over the last couple of years, the Council has undertaken a number of actions to reduce the number and scale of errors within the claim. This has included: <ul style="list-style-type: none"> <li>- increased staff training;</li> <li>- greater support for staff undertaking work, including an allocated, more experienced colleague, to help answer subsidy queries as they arise; and</li> <li>- more regular and more detailed review of claims processed by staff.</li> </ul> </li> <li>- In 2016/17, the errors identified in 2015/16 and previous years required us to undertake testing of an additional 40 cases which contained 'local authority delay or overpayment' errors. Testing did not identify any recurrences of the overpayment errors identified in previous years, which is a significant improvement on prior years.</li> <li>- Unfortunately the additional testing undertaken as a result of the previous errors identified two cases where an incorrect effective date was used within the benefit calculation. This meant that there were errors within three of the cells on the claim form, although the headline cell itself was unaffected.</li> </ul>	<p><b>£nil</b></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 £19,503.

### 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 £13,658. Our actual fee was the same as the indicative fee, and this compares to the 2015/16 fee for this claim of £10,112. This higher fee reflects the changing level of work required to be completed during the audit during the triennial cycle.

### 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 the same as last year, except that the SFA Subcontracting arrangements review was not required in 2016/17; this is because the Council's subcontracting value was below the threshold set by the SFA to require a report.

### Breakdown of fees for grants and returns work

Breakdown of fee by grant/return		
	2016/17 (£)	2015/16 (£)
Housing Benefit Subsidy claim	13,658	10,112
DCLG Pooling of Housing Capital Receipts	2,800	2,800
Teachers' Pensions EOYCa return	3,045	3,045
SFA Subcontracting arrangements	-	5,000
<b>Total fee</b>	<b>19,503</b>	<b>20,957</b>



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