



# Annual Report on grants and returns 2015/16

**Chesterfield Borough Council**

January 2017



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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 £37,466,151.
- Under separate assurance engagements we certified one claim as listed below.
  - Pooling of Housing Capital Receipts. This had a value of £3,284,370.

### Certification and assurance results (Page 3)

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.

The reasons for the qualification were as follows:

- A difference on the benefit software reconciliation between the expenditure as calculated by Capita and the expenditure as calculated by the subsidy program. The Council has correctly claimed subsidy on the lower amount; and
- A transcription error on one case resulting in the incorrect national insurance deduction being used in the calculation of benefits.

No such issues were identified in the prior year.

Our work on the other grant assurance engagements did not result in a qualification or amendment of the return.

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

### Recommendations (Page 5)

We have made one recommendation to the Council from our work this year and agreed an action plan with officers.

There were no recommendations made in the previous year.

### Fees (Page 4)

Our fee for certifying the Council's 2015/16 Housing Benefit Subsidy grant was £6,465, 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 was £3,000 in respect of Pooling of Housing Capital Receipts.

## 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 £9,465.**

### **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 £6,465. Our actual fee was the same as the indicative fee, and this compares to the 2014/15 fee for this claim of £8,620.

### **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 £3,000, in line with those in 2014/15.

### **Breakdown of fees for grants and returns work**

<b>Breakdown of fee by grant/return</b>		
	<b>2015/16 (£)</b>	<b>2014/15 (£)</b>
Housing Benefit Subsidy claim	6,465	8,620
Pooling of Housing Capital Receipts	3,000	3,000
<b>Total fee</b>	<b>9,465</b>	<b>11,620</b>

# Recommendations

We have given each recommendation a risk rating and agreed what action management will need to take.

## Priority rating for recommendations

<p><b>1</b> Issues that are fundamental and material to your overall arrangements for managing grants and returns or compliance with scheme requirements. We believe that these issues might mean that you do not meet a grant scheme requirement or reduce (mitigate) a risk.</p>	<p><b>2</b> Issues that have an important effect on your arrangements for managing grants and returns or complying with scheme requirements, but do not need immediate action. You may still meet scheme requirements in full or in part or reduce (mitigate) a risk adequately but the weakness remains in the system.</p>	<p><b>3</b> Issues that would, if corrected, improve your arrangements for managing grants and returns or compliance with scheme requirements in general, but are not vital to the overall system. These are generally issues of best practice that we feel would benefit you if you introduced them.</p>
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Issue	Implication	Recommendation	Priority	Comment	Responsible officer and target date
<b>Housing Benefit Subsidy Claim</b>					
<p><b>Benefit Software</b> The Council failed to fully reconcile benefit paid to benefit granted in accordance with the software provider's instructions.</p>	<p>Failure to fully reconcile benefit paid to benefit grant could result in errors in the subsidy claim form which go undetected.</p>	<p><b>1</b> The Council should ensure that there is a full reconciliation of future returns to system reports prior to submission for certification.</p>	<p><b>2</b></p>	<p>The Council will fully reconcile benefit paid to benefit granted in accordance with the software provider's instructions for 2016/17. This will be reviewed for completion by the CBC finance department.</p>	<p>Director of Finance &amp; Resources in 2016/17</p>



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