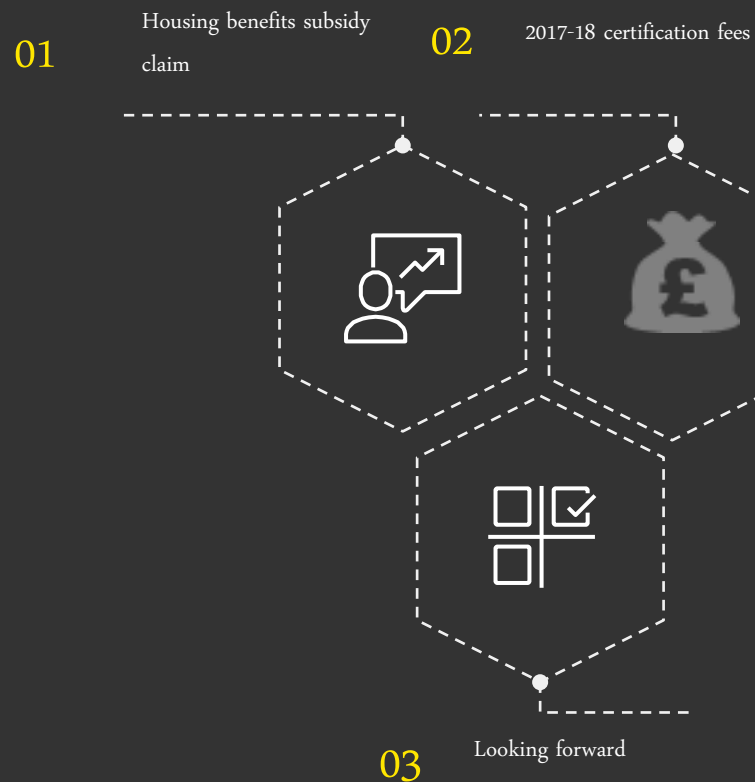


**Certification of claims and returns  
annual report  
2017-18**

January 2019

# Contents



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](http://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 Finance, Audit and Risk Committee and management of North Hertfordshire District Council in accordance with the statement of responsibilities. Our work has been undertaken so that we might state to the Finance, Audit and Risk Committee, and management of North Hertfordshire District Council those matters we are required to state 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 Finance, Audit and Risk Committee, and management of North Hertfordshire District 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

Scope of work	Results
Value of claim presented for certification	£34,041,755
Amended/Not amended	Amended – subsidy increased by £10,473
Qualification letter	Yes
Fee – 2017-18	£6,772 subject to agreement by PSAA
Fee – 2016-17	£4,551

The Council 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 found errors (total value £10) in the initial sample and carried out extended testing on earned income, there were no errors found in the extended testing.

The errors found had a small net impact on the claim. We have reported underpayments, uncertainties and the extrapolated value of other errors in a qualification letter. The DWP then decides whether to ask the Council to carry out further work to quantify the error or to claw back the benefit subsidy paid. The extrapolated error was £1,813 based on rent allowance expenditure of £34 million.



## 02 - Fees

Claim or return	2017-18	2017-18	2016-17
	Actual fee	Indicative fee	Actual fee
Housing benefits subsidy claim	£6,772	£7,524	£4,551

PSAA bases the indicative fee for 2017-18 on the outturn fee for 2015-16. That year the Housing Benefit team did not undertake the detailed testing on the initial sample although they did map the cases into the testing workbook. In 2017-18 the Housing Benefit team both mapped the cases and tested them. Whilst the level of testing in 2017-18 and 2016-17 was broadly similar we raised a number of issues on the completion of the 2017-18 workbooks when they were initially reviewed. The 2017-18 fee is subject to the agreement of the Service Director – Resources and PSAA.



## 03 – Looking forward

From 2018/19, the Council is responsible for appointing their own reporting accountant to undertake the work on their claims in accordance with the instructions determined by the relevant grant paying body. We are pleased that for 2018-19 the Council has appointed us to act as reporting accountants in relation to the housing benefit scheme. 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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