



Certification of  
claims and returns  
annual report  
2017-18

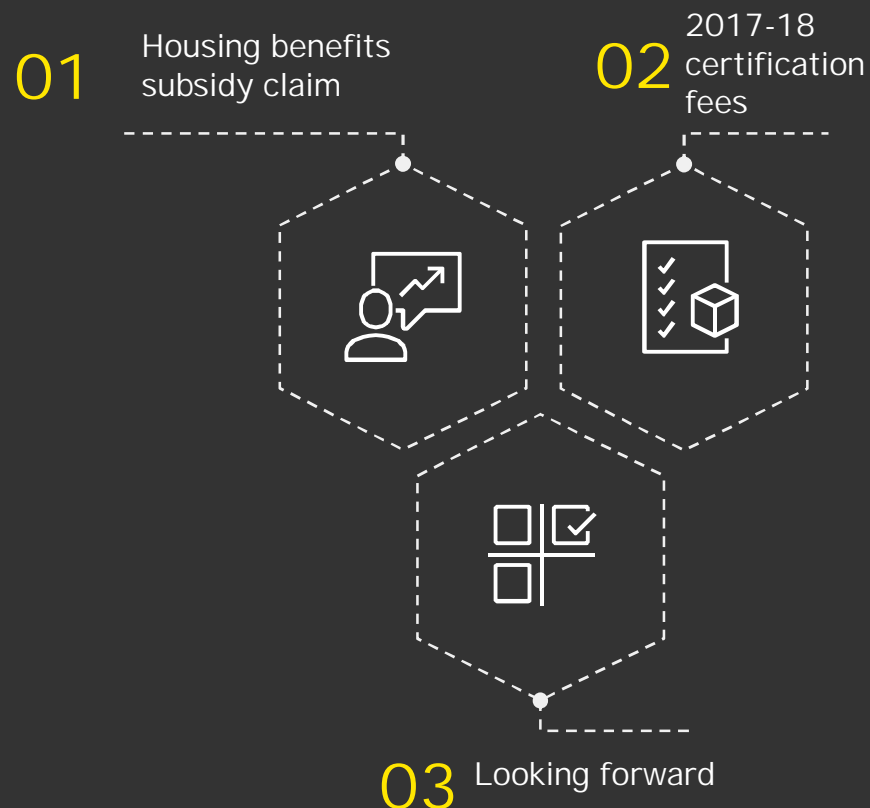
4 December 2018



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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](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 Audit Committee and management of Wycombe District Council in accordance with the statement of responsibilities. Our work has been undertaken so that we might state to the Audit Committee and management of Wycombe District 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 Audit and Standards Committee, and management of Wycombe 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



## Housing benefits subsidy claim

Scope of work	Results
Value of claim presented for certification	£44,282,827
Amended/Not amended	Amended: no effect on overall subsidy
Qualification letter	Yes
Fee – 2017-18	£TBC
Fee – 2016-17	£29,145

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 found errors and carried out extended testing in several areas.

Extended and other testing identified errors which the Council amended. They 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 our further work to quantify the error or to claw back the benefit subsidy paid. These are the main issues we reported:

An amendment was required for non-HRA claims where child care costs had been incorrectly applied. We carried out 40+ extended testing on two other aspects of non-HRA and calculated extrapolations which the DWP might decide to claw back from the Authority (these were eligible rent and tax credits).

For rent allowance cases, we performed 40+ extended testing in 5 areas: earnings, self-employed earnings, ineligible service charges, occupational pensions, and non-dependants and calculated extrapolations which the DWP might decide to claw back from the Authority.

We are pleased to note that the cumulative impact of these extrapolations falls below the lower threshold for local authority error allocated by the DWP. This means that they do not claw back subsidy at the higher level if the threshold is breached.

The certification work is both specialised and time-consuming, so we would like to thank the Council's benefits staff for their assistance throughout the process.





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](http://www.psa.co.uk)).

Claim or return	2017-18	2017-18	2016-17
	Actual fee £	Indicative fee £	Actual fee £
Housing benefits subsidy claim	TBC	16,833	29,145

The indicative fee for 2017-18 was based on the actual certification work done in 2015-16. Extra work was required in 2016-17 and there were follow-up queries from DWP. The final fee for 2017-18 is TBC, but we will update this as soon as we have reviewed the final position now that the work has been completed.



03

Looking forward



## Looking forward

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### 2018/19 and beyond

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.

As your appointed auditor for the financial statements audit, we are pleased that for 2018-19 (and by annual review thereafter) the Council has appointed us to act as reporting accountants for the housing benefits 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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