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Our ref AB/GBC/Grants

Contact Andrew Bush

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Dear Mike

Gedling Borough Council - Certification of claims and returns - annual report 2016/17

Public Sector Audit Appointments requires its external auditors to prepare an annual report on the claims and returns certified for each audited body. This letter is our annual report for the certification work we have undertaken for 2016/17.

In 2016/17 we carried out certification work on one claim/return, the Housing Benefit Subsidy claim. The certified value of the claim was £26.2 million, and we completed our work and certified the claim on 30 November 2017.

Matters arising

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.

Our work identified two errors. In one instance we were able to undertake 100% testing over the respective sub-population for the type of error. This allowed us to amend the claim in line with DWP guidance. For the other error we undertook further testing of 40 cases for the type of error, the results of which we summarised in a qualification letter to the DWP.

Our initial testing identified:

- 1 instance where an underpayment recovered against an overpayment in the same period had been offset incorrectly resulting in an underpayment of benefit. We undertook testing of 40 similar cases. From this we identified three cases of underpaid benefit (total value of the error for these three cases was £84) and one case of overpaid benefit (total value of the error was £17). This issue was reported in our qualification letter to the DWP.
- 1 instance where the overpayment and underpayment for a Non- HRA case offset correctly but the subsidy calculated by the system was incorrect resulting in the cell being over claimed. We were able to undertake a 100% testing over the respective sub-population where three further errors were identified and resulted in an amendment to the claim.

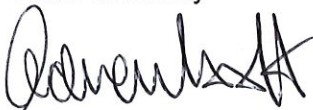
We have made no recommendations to the Council to improve its claims completion process for this year, however, there were two recommendations made last year.

In our 2015/16 Certification Annual Report we raised two recommendations relating to sense checking subsidy audit trail reports to investigate high value claims and for key individuals within the Benefits team to be trained to support the Benefits manager and improve wider knowledge in regards to the subsidy element of Housing Benefits. Full details are included in Appendix 1.

Certification work fees

Public Sector Audit Appointments set an indicative fee for our certification work in 2016/17 of £10,313. Our actual fee was the same as the indicative fee, and this compares to the 2015/16 fee for this claim of £10,562.

Yours sincerely



Andrew Bush
Engagement Lead

Appendix 1 – Follow up of 2015/16 Certification of Claims and Returns Recommendations

Number	Prior year recommendation	Priority	Status as at November 2017
1	<p><u>High value claims</u></p> <p>As part of the subsidy closedown process the Authority should sense check audit trail reports and investigate unusually high value claims before finalising the subsidy claim.</p>	Medium	<p>Implemented</p> <p>The Authority has undertaken checking processes to sense check high value claims.</p>
2	<p><u>Training</u></p> <p>To support the subsidy closedown, key individuals within the Benefits team should be trained in regards to the subsidy element of the housing benefits claim to improve the wider knowledge, and support the Benefits Manager.</p>	Medium	<p>Implemented</p> <p>Workbook completion and 100% checks have been carried out by two additional members of staff this year to support the Benefits Manager and improving the wider knowledge of subsidy within the Benefits team</p>



This report is addressed to the Council and has been prepared for the sole use of the Council. We take no responsibility to any member of staff acting in their individual capacities, or to third parties. We draw your attention to the Statement of Responsibilities of auditors and audited bodies, which is available on Public Sector Audit Appointments' website (www.psaa.co.uk).

External auditors do not act as a substitute for the audited body's own responsibility for putting in place proper arrangements to ensure that public business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively.

We are committed to providing you with a high quality service. If you have any concerns or are dissatisfied with any part of KPMG's work, in the first instance you should contact Andrew Bush, the engagement lead to the Authority, who will try to resolve your complaint. If you are dissatisfied with your response please contact the national lead partner for all of KPMG's work under our contract with Public Sector Audit Appointments Limited, Andrew Sayers, by email to andrew.sayers@kpmg.co.uk. After this, if you are still dissatisfied with how your complaint has been handled you can access PSAA's complaints procedure by emailing generalenquiries@psaa.co.uk, by telephoning 020 7072 7445 or by writing to Public Sector Audit Appointments Limited, 3rd Floor, Local Government House, Smith Square, London, SW1P 3HZ.