

# FAREHAM

## BOROUGH COUNCIL

### Report to Audit and Governance Committee

**Date:** 23 March 2020

**Report of:** Head of Housing and Benefits

**Subject:** EXTERNAL AUDITOR'S ANNUAL CERTIFICATION REPORT

#### SUMMARY

This report presents the findings from the Housing Benefit Subsidy Certification work carried out by External Auditors (KPMG) in respect of 2018/19. This is first year that this work was undertaken by KPMG.

*The Audit and Governance Committee's areas of responsibility for External Audit include considering the external auditor's annual letter, relevant reports, and the report to those charged with governance.*

#### RECOMMENDATION

It is RECOMMENDED that the Audit and Governance Committee:

- a) consider the findings of the Annual Certification Report 2018/19 submitted to the Department for Work and Pensions by the Council's external auditors; and
- b) comment on the findings as appropriate.

## **INTRODUCTION**

1. Housing Benefit is a national social security benefit administered by local authorities on behalf of the Department for Work and Pensions (DWP). The DWP reimburse local authorities for the cost of administering Housing Benefit through a system of subsidy payments, based on the subsidy claims submitted to the DWP by the local authorities.
2. The DWP require appropriately qualified reporting accountants to audit the subsidy claim and issue to them a report about the financial and legal probity of each local authority's Housing Benefit Service.
3. The reporting accountant is required to complete the assurance process in accordance with the instructions, tools and guidance supplied by the DWP. Testing of Housing Benefit cases is carried out on an initial sample of 20 cases per benefit type across the entire caseload. More extensive testing is undertaken if the initial testing identifies errors in the calculation of benefit or as a result of errors that have been identified in the audit of previous years' claims.

## **2018/19 HOUSING BENEFIT SUBSIDY CLAIM**

4. The amount of subsidy claimed by Fareham Borough Council for 2018/19 was £18,500,193. KPMG completed the assurance process detailed above and determined that there are no amendments required or matters of concern and therefore the amount of subsidy payable by the DWP is £18,500,193.

## **EXCEPTIONS/ERRORS FOUND**

5. The initial testing (20 cases per benefit type) across the entire caseload identified no errors.
6. A total of 275 cases were subject to additional testing as a result of errors found in the 2017/18 assurance process. This identified 1 case where the weekly earned income for a claimant was incorrectly assessed resulting in an overpayment of benefit totalling £97.00.

## **CONCLUSION**

7. Following receipt of the Housing Benefit Reporting Accountant (KPMG) final tested claim for 2018/19, the DWP have confirmed there are no outstanding issues relating to our claim. The claim has therefore been settled on this basis and the total amount of subsidy payable is £18,500,193.

**Background Papers:** Reporting accountant's report for the Housing Benefit Subsidy claim form MPF720A for the year ended 31 March 2019.

**Reference Papers:** Statement of responsibilities of grant-paying bodies, authorities, Public Sector Audit Appointments (PSAA) and appointed auditors in relation to claims and returns – issued by PSAA

**Enquiries:**

For further information on this report please contact Caroline Newman. (Ext 4645)