

Audit and Performance Committee Report

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| Date | 27 June 2022 |
| Classification: | General Release |
| Title: | External Audit Certification of Claims and Returns Annual Audit of the 2020/21 Housing Benefit Claim |
| Wards Affected: | All |
| Financial Summary: | There are no direct financial implications arising from the report. |
| Report of: | Director of Revenues & Benefits |

1. Executive Summary

- 1.1 There is an annual external review of the grants that the City Council claims through a grants certification process. This report provides a summary of the review of the Housing Benefit Subsidy claim for 2020/21

2. Recommendation

- 2.1 That the report is noted.

3. **Grant Thornton Annual Review**

3.1 The City Council is responsible for compiling grant claims and returns in accordance with the requirements and timescales set by central government.

3.2 Grant Thornton, as the Council's external auditor, annually review the grants the City Council claims through a grants certification process.

3.3 There are three returns / claims separately reviewed by Grant Thornton in relation to the 2020/21 financial year:

- Housing Benefit subsidy claim (£185 million)
- Teachers' Pensions return
- Pooling of Housing Capital Receipts return

The audit work on the Teacher's Pension return and the Pooling of Housing Capital Receipts return is undertaken and reported separately to the committee.

3.4 This year's audit results for the Council's Housing Benefit Subsidy claim were once again good, with only minor issues identified with eligible rent figures, earned income calculations and manual adjustments. The few errors found have resulted in minor recalculations between cells within the subsidy claim, and the creation of a few small underpayments or overpayments on individual cases. None of these changes have affected the bottom-line amount of subsidy that has been claimed.

3.5 The nature and complexity of the Housing Benefit scheme linked to the volume of claims (19,600 housing benefit claims in WCC during 2020/21) means the vast majority of local authorities will have some errors identified through their annual subsidy claim audit. Whilst the latest audit can be considered as a good outcome, the Council should continuously try to improve its position and as such the following additional measures are being introduced for the 2021/22 and future subsidy claims:-

- Continued checks of the subsidy cells that can be reviewed in late March before the subsidy claim is submitted.
- Additional training and sample checking for each area where an error was found in the 202/21 claim.
- A rolling review of work practices and in-year checking procedures to help identify and correct errors to insure even greater accuracy of future subsidy claims.

4. Financial Implications

- 4.1 It is important that grant claim requirements are complied with as they affect funding sources and funding assumptions in the City Council's business plans.
- 4.2 The bottom-line amount of Housing Benefit subsidy claimed for 2020/21 was not adjusted as a result of the audit and the Council's claim of £184,907,252 will be met in full by the DWP.
- 4.3 The overall fee for certification of the Council's claim was £34,000.00 – a reduction on last year's fee of £36,000.

5. Legal Implications

- 5.1 As this report comes as part of the annual review by external auditors, with only minor issues identified re eligible rent figures, earned income calculations and manual adjustments and no recalculations affecting the bottom-line amount of subsidy that has been claimed, there are no direct legal implications arising from it.

6. Carbon Impact

- 6.1 There is no carbon impact

If you have any queries about this report please contact: Martin Hinckley on 07816 215828 or at mhinckley@westminster.gov.uk