

## AUDIT COMMITTEE

24 JANUARY 2019

### REPORT OF DEPUTY CHIEF EXECUTIVE

#### A.2 EXTERNAL AUDIT REPORT – CERTIFICATION OF CLAIMS AND RETURNS ANNUAL REPORT 2017/18

(Report prepared by Richard Barrett)

#### PART 1 – KEY INFORMATION

##### **PURPOSE OF THE REPORT**

To present the External Auditor's certification of claims and returns annual report 2017/18.

##### **EXECUTIVE SUMMARY**

- The Housing Benefit Subsidy claim was subject to audit certification by the Council's External Auditor in 2017/18.
- The External Auditor's detailed report is attached. A qualification letter has been issued although there has been only a marginal effect on the subsidy receivable.
- To date no response has been received from the Department for Works and Pensions in response to the External Auditor's qualification letter. Although they have not done so in previous years, the DWP may require the Council to undertake further work or claw back subsidy that has been paid. As there have only been a limited number of relatively minor issues identified this risk is low.

##### **RECOMMENDATIONS**

**That the Committee considers and notes the External Auditor's certification of claims and returns annual report 2017/18.**

#### PART 2 – IMPLICATIONS OF THE DECISION

##### **DELIVERING PRIORITIES**

The aim of continuing to be financially stable and well managed and provide good value for money is directly supported through learning and improving through audit and inspection. This requires proportionate responses to recommendations and opportunities for improvement identified by the External Auditor each year.

##### **FINANCE, OTHER RESOURCES AND RISK**

###### **Finance and other resources**

The breakdown of External Auditors fees is set out on page 9 of the attached report. The total fee can be accommodated within existing budgets.

**Risk**

If proportionate and practical responses to recommendations made by the External Auditor are not fully considered then there is the risk that errors or incorrect claims are made in the future which could have an adverse impact on the Council's reputation and standing in addition to any potential financial loss.

**LEGAL**

There are no direct legal implications associated with this report.

**OTHER IMPLICATIONS**

Consideration has been given to the implications of the proposed decision in respect of the following and any significant issues are set out below.

Crime and Disorder / Equality and Diversity / Health Inequalities / Area or Ward affected / Consultation/Public Engagement.

There are no direct implications.

**PART 3 – SUPPORTING INFORMATION****BACKGROUND AND OUTCOMES FROM THE EXTERNAL AUDITOR'S WORK**

The duty to make arrangements for the certification of relevant claims and returns is delegated to Public Sector Audit Appointments Ltd (PSAA) by the Secretary of State for Communities and Local Government. These arrangements required the certification of the Housing Benefits subsidy claim during the year. The External Auditor's report setting out the outcome from the audit work they have undertaken is attached.

Only a limited number of amendments were required and there was only a minimal impact on the overall subsidy claimed for the year.

As highlighted within the attached report, a qualification letter has been issued by the External Auditor based on the findings set out in their report, which largely reflects the requirement for them to report identified issues to the DWP, rather than due to the significance of the issues themselves as their impact was minimal compared to the overall amount of subsidy claimed.

**BACKGROUND PAPERS FOR THE DECISION**

None

**ATTACHMENTS**

The External Auditor's Certification of Claims and Returns Annual Report 2017/18