

Audit and Risk Committee

11 March 2019

Report title	Certification work for City of Wolverhampton Council for the Year Ended 31 March 2018	
Cabinet member with lead responsibility	Councillor Louise Miles Resources	
Accountable director	Claire Nye, Director of Finance	
Originating service	Strategic Finance	
Accountable employee(s)	Emma Bland	Finance Business Partner
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Report to be/has been considered by	None	

Recommendation for noting:

The Audit and Risk Committee is asked to note:

1. The Certification Work letter from Grant Thornton.

1.0 Purpose

- 1.1 To update the Audit and Risk Committee on the outcome of grant certification work undertaken by Grant Thornton.

2.0 Background

- 2.1 Grant Thornton undertake work to certify the Council's Housing Benefit Subsidy Claim on behalf of the Department for Work and Pensions. The attached letter provides Audit and Risk Committee with the outcome of this work.
- 2.2 Findings are detailed on page 3 of the letter and summarised below, with management responses/actions.

	Findings for 2017-2018	Management response/action
2016-2017 findings		
Incorrect earnings		
Three cases where benefit had been overpaid as a result of the Council using the incorrect earnings figure in the benefit calculation.	Grant Thornton did not identify a recurrence of any such errors for the 2017-2018 year.	N/A
Additional testing	<p>Five cases (total value £15,729) where the earnings had been incorrectly calculated. The value of the errors found ranged from £0.30 to £48.80 and the benefit periods ranged from 1 week to 23 weeks.</p> <p>This error was extrapolated; the extrapolated financial impact on the claim, which Grant Thornton reported to DWP, was relatively insignificant to the total subsidy receivable.</p>	<p>This issue did recur in extended testing, resulting in an extrapolation, however this made zero difference to the value of subsidy claimed. The extrapolated error amounted to less than 0.003% of the total subsidy claim.</p> <p>In response, a number of additional measures have been put in place to reduce the risk of a recurrence. These include creating a task group to check every claim based on earnings for any part of 2018-2019.</p>

Pensions Credit Guarantee Credit (PCGC)		
Incorrect classification of one claimant's income – did not affect the amount of subsidy claimed but could have resulted in an overpayment if an incorrect income code was applied.	Grant Thornton did not identify a recurrence of any such errors for the 2017-2018 year.	N/A
Child Care Costs		
One case from the initial sample and eleven cases from extended testing, whereby benefit had been paid incorrectly due to the council incorrectly calculating childcare costs. Not all of these cases had an impact on subsidy as some were underpayments and therefore did not constitute errors for extrapolation purposes.	Grant Thornton did not identify a recurrence of any such errors for the 2017-2018 year.	N/A

3.0 Financial Implications

- 3.1 The fee for the certification of the 2017-2018 Housing Benefit Subsidy Claim was in the region of £14,000. There is specific budget for this fee within Corporate Financial Management.
[EB/01032019/E]

4.0 Legal implications

- 4.1 In 2014 the Secretary of State for Communities and Local Government delegated statutory functions (from the Audit Commission Act 1998) to Public Sector Audit Appointments (PSAA) on a transitional basis by way of a letter of delegation issued under powers contained in the Local Audit and Accountability Act 2014.
- 4.2 Under these transitional arrangements, PSAA took on responsibility for making arrangements for the certification of housing benefit subsidy claims, appointing Grant Thornton for the City of Wolverhampton Council.
[TS/28022019/W]

5.0 Equalities implications

5.1 There are no equality implications arising from this report.

6.0 Environmental implications

6.1 There are no environmental implications arising from this report.

7.0 Human resources implications

7.1 There are no human resource implications arising from this report.

8.0 Corporate landlord implications

8.1 There are no implications for the Council's property portfolio arising from this report.

9.0 Health and Wellbeing implications

9.1 There are no health and wellbeing implications arising from this report.

10.0 Schedule of background papers

10.1 There are no relevant preceding reports.

11.0 Appendices

11.1 Appendix 1 – Certification Letter