



# Annual Report on grants and returns 2016/17

**Lancaster City Council**

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## Headlines

### Introduction and background

This report summarises the results of work we have carried out on the Council's 2016/17 grant claims and returns.

This includes the work we have completed under the Public Sector Audit Appointment certification arrangements, as well as the work we have completed on other grants/returns under separate engagement terms. The work completed in 2016/17 is:

- Under the Public Sector Audit Appointments arrangements we certified one claim – the Council's 2016/17 Housing Benefit Subsidy claim. This had a value of £37.1m.

Under separate engagements we issued reports on one return as listed below.

- Certification of the Council's Pooling of Housing Capital Receipts return for 2016/17.

### Certification and assurance results (Pages 3-4)

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.

Following the completion of our work, the claim was unqualified.

Our work on the other grant assurance engagements resulted in the following reports:

- Assurance report in connection with DCLG Pooling of Housing Capital Receipts return for the year ended 31 March 2017.

One minor adjustment was necessary to the Council's Housing Benefit Subsidy claim as a result of our certification work this year. We identified one error during our certification work, relating to the incorrect classification of an overpayment on one claim as an eligible, claimant error overpayment. The overpayment should instead have been classified as a Local Authority error overpayment. More details are provided on Page 5 of this report.

### Recommendations (Pages 7 – 8)

We did not make any recommendations to the Council from our work this year.

### Fees (Page 5)

Our fee for certifying the Council's 2016/17 Housing Benefit Subsidy grant was £9,573, which is in line with the indicative fee set by PSAA.

Our fee for the assurance engagement over the Pooling of Housing Capital Receipts return was subject to agreement directly with the Council and was £3,000 for 2016/17. This is consistent with the fee for 2015/16.

# Summary of reporting outcomes



Overall, we carried out work on two grants and returns:

- One was unqualified with no amendment; and
- One was unqualified but required some amendment to the final figures.

Detailed comments are provided overleaf.

Detailed below is a summary of the reporting outcomes from our work on the Council’s 2016/17 grants and returns, showing where either audit amendments were made as a result of our work or where we had to qualify our audit certificate or assurance report.

A qualification means that issues were identified concerning the Council’s compliance with a scheme’s requirements that could not be resolved through adjustment. In these circumstances, it is likely that the relevant grant paying body will require further information from the Council to satisfy itself that the full amounts of grant claimed are appropriate.

	Comments overleaf	Qualified	Significant adjustment	Minor adjustment	Unqualified
<b>Public Sector Audit Appointments regime</b>					
— Housing Benefit Subsidy	1				
<b>Other grant/return engagements</b>					
— Pooling of Housing Capital Receipts	2				
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# Summary of certification work outcomes

This table summarises the key issues behind each of the adjustments or qualifications that were identified on the previous page.

Ref	Summary observations	Amendment
1	<p><b>Housing Benefit Subsidy claim</b></p> <ul style="list-style-type: none"> <li>— We identified one error during our certification work, relating to the incorrect classification of an overpayment on one claim as an eligible, claimant error overpayment. The overpayment should instead have been classified as a Local Authority error overpayment.</li> <li>— We completed additional testing of 40 overpayments made during the year, testing whether the classification of these overpayments was appropriate. We did identify any further such errors during this testing. Further, we identified no other classification errors within other benefit types or in the prior year.</li> <li>— On this basis, and following review also of a relevant internal audit report completed during 2016/17, we concluded that the error we identified was isolated. Consequently, an amendment of £62.88 was made to the two affected overpayment cells.</li> </ul>	<p><b>+/- £63</b></p>

## Fees

Our fees for the Housing Benefit Subsidy claim are set by Public Sector Audit Appointments.

Our fees for other assurance engagements on grants/returns are agreed directly with the Council.

The overall fees we charged for carrying out all our work on grants/returns in 2016/17 was £12,573.

### Public Sector Audit Appointments certification arrangements

Public Sector Audit Appointments set an indicative fee for our work on the Council's Housing Benefit Subsidy claim in 2016/17 of £9,573. Our actual fee was the same as the indicative fee and the 2015/16 fee for this claim.

### Grants subject to other engagements

Our fee for the assurance engagement over the Pooling of Housing Capital Receipts return was subject to agreement directly with the Council and was £3,000 for 2016/17. This is consistent with the fee for 2015/16.

Breakdown of fee by grant/return		
	2016/17 (£)	2015/16 (£)
Housing Benefit Subsidy claim	9,573	9,573
Pooling of Housing Capital Receipts return	3,000	3,000
<b>Total fee</b>	<b>12,573</b>	<b>12,573</b>



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