



SLOUGH BOROUGH COUNCIL

GRANT CLAIMS AND RETURNS CERTIFICATION

Audit for the year ended 31 March 2018
20 February 2019



INTRODUCTION

PURPOSE AND USE OF THIS REPORT

This report summarises the main issues arising from our certification of grant claims and returns for the financial year ended 31 March 2018.

Public Sector Audit Appointments Ltd (PSAA) regime

PSAA has a statutory duty to make arrangements for certification by the appointed auditor of the annual housing benefit subsidy claim.

We undertake the grant claim certification as an agent of PSAA, in accordance with the Certification Instruction (CI) issued by them after consultation with the Department for Work and Pensions (DWP).

After completion of the tests contained within the CI the grant claim can be certified with or without amendment or, where the correct figure cannot be determined, may be qualified as a result of the testing completed.

Other certification work

A number of other grant claims and returns are not within the scope of our appointment by PSAA, but Departments may still seek external assurance over the accuracy of the claim or return. These assurance reviews are covered by tripartite agreements between the Council, sponsoring Department and the auditor.

The Council engaged us to carry out the following for the year ended 31 March 2018:

- Agreed-upon procedures, based on the instructions and guidance provided by the Ministry of Housing, Communities and Local Government (MHCLG), of the Pooling of housing capital receipts return
- 'Agreed-upon procedures', based on the instructions and guidance provided by the Department for Education, of the Teachers' pensions return.

We recognise the value of your co-operation and support and would like to take this opportunity to express our appreciation for the assistance and co-operation provided during our certification work.

AUDIT QUALITY

BDO is totally committed to audit quality. It is a standing item on the agenda of BDO's Leadership Team who, in conjunction with the Audit Stream Executive (which works to implement strategy and deliver on the audit stream's objectives), monitor the actions required to maintain a high level of audit quality within the audit stream and address findings from external and internal inspections. BDO welcome feedback from external bodies and is committed to implementing necessary actions to address their findings.

We recognise the importance of continually seeking to improve audit quality and enhancing certain areas. Alongside reviews from a number of external reviewers, the AQR (the Financial Reporting Council's Audit Quality Review team), QAD (the ICAEW Quality Assurance Department) and the PCAOB (Public Company Accounting Oversight Board who oversee the audits of US firms), the firm undertake a thorough annual internal Audit Quality Assurance Review and as member firm of the BDO International network we are also subject to a quality review visit every three years. We have also implemented additional quality control review processes for all listed and public interest audits.

More details can be found in our latest Transparency Report at www.bdo.co.uk.

CONTENTS

INTRODUCTION.....	1
CONTENTS	2
KEY FINDINGS	3
DETAILED FINDINGS.....	4
APPENDICES	14
APPENDIX I: STATUS OF 2016/17 RECOMMENDATIONS	15
APPENDIX II: 2017/18 RECOMMENDATIONS AND ACTION PLAN.....	16
APPENDIX III: FEES SCHEDULE.....	17

KEY FINDINGS

Below are details of each grant claim and return subject to certification by us for the financial year ended 31 March 2018. Where our work identified issues which resulted in either an amendment or a qualification (or both), further information is provided on the following pages. An action plan is included at Appendix II of this report.

CLAIM OR RETURN	FINAL VALUE (£)	QUALIFIED?	AMENDED?	IMPACT OF AMENDMENTS(£)
Housing benefit subsidy	£69,915,439	YES	YES	Increase subsidy receivable by £10,779
Pooling of housing capital receipts	£6,452,297	YES	NO	N/A
Teachers' pensions	£4,418,854	YES	YES	Decrease payable balance by £2,748

DETAILED FINDINGS

HOUSING BENEFIT SUBSIDY	FINDINGS AND CONCLUSION
<p>Local authorities responsible for managing housing benefit are able to claim subsidies towards the cost of these benefits from central government. The final value of subsidy to be claimed by the Council for the financial year is submitted to central government on form MPF720A, which is subject to certification.</p> <p>Our work on this claim includes verifying that the Council is using the correct version of its benefits software and that this software has been updated with the correct parameters. We also agree the entries in the claim to underlying records and test a sample of cases from each benefit type to confirm that benefit has been awarded in accordance with the relevant legislation and is shown in the correct cell on form MPF720A.</p> <p>The methodology and sample sizes are prescribed by PSAA and DWP. We have no discretion over how this methodology is applied. The draft subsidy return provided for audit recorded amounts claimed as subsidy of £69,904,660. The final submission was increased by £10,779, to £69,915,439.</p>	<p>Our audit of 60 individual claimant files highlighted a number of errors the Council made in administering benefit and calculating subsidy entitlement.</p> <p>Guidance requires auditors to undertake extended 40+ testing if initial testing identified errors in the benefit entitlement calculation or in the classification of expenditure. Such testing is also undertaken as part of our follow-up of prior year issues reported. This additional testing, combined with the original testing where there has been an overpayment of benefit, is extrapolated (or extended) across the population. Where the error can be isolated to a small population, the whole population can be tested and the claim form amended if appropriate. Where there is no impact on the subsidy claim, for example where the error always results in an underpayment of benefit, we are required to report this within our qualification letter.</p> <p>This resulted in ten areas of 40+ testing, one area of additional testing and one amendment to the claim form.</p> <p>All testing was carried out by BDO, as agreed with management.</p> <p>Our work was completed and the claim was certified before DWP's deadline of 30 November 2018. Our audit certification was qualified and we quantified the effect of the errors identified on the Council's entitlement to subsidy (based on our extrapolations) in a letter to DWP.</p> <p>A summary of our audit findings can be found on the following pages.</p> <p>While the total of the reported issues below indicate a potential overstatement of subsidy claimed of £38,026, the application of threshold limits on the claim form meant that the majority of this difference was allowable and therefore has not been clawed back by DWP.</p>

DETAILED FINDINGS

ERROR DESCRIPTION	IMPACT ON SUBSIDY CLAIMED
<p>NON-HRA RENT REBATES</p>	
<p>Incorrect application of LHA cap</p> <p>Testing of the initial sample of 20 cases and an additional random sample of 40 cases on expenditure on board and lodging or non-self contained licensed accommodation where the local authority is the landlord identified 11 cases where the Council had incorrectly applied the LHA cap.</p> <p>Testing of the initial sample of 20 cases and an additional random sample of 40 cases on expenditure on short term leased or self contained accommodation where the local authority is the landlord identified 18 cases where the Council had incorrectly applied the LHA cap.</p> <p>These errors resulted in misclassifications between cells on the claim form.</p> <p>We extrapolated the errors over the remaining population of untested cases.</p>	<p>The net effect of the extrapolated errors was as follows:</p> <ul style="list-style-type: none"> Cell 012 'Board and lodging or non self-contained licenced accommodation where the local authority is the landlord - Expenditure up to the lower of the one bedroom self-contained LHA rate and the upper limit (£500 or £375)' was overstated by £2,586 (attracts full subsidy) Cell 013 'Board and lodging or non self-contained licenced accommodation where the local authority is the landlord - Expenditure above the lower of the one bedroom self-contained LHA rate and the upper limit (£500 or £375)' was understated by £2,586 (attracts no subsidy) Cell 014 'Short term leased or self contained accommodation where the local authority is the landlord - Expenditure up to the lower of 90% of the appropriate LHA rate for the property plus the management costs element and the upper limit (£500 or £375)' was understated by £11,748 (attracts full subsidy) Cell 015 'Short term leased or self contained accommodation where the local authority is the landlord - Expenditure above the lower of 90% of the appropriate LHA rate for the property plus the management costs element and the upper limit (£500 or £375)' was overstated by £11,748 (attracts no subsidy). <p>As a result, subsidy claimed was understated by £9,162. The claim form was not amended for the extrapolated error and we reported this in our qualification letter to DWP.</p>
<p>Miscalculation of earned income</p> <p>Testing of the initial sample of 20 cases and an additional random sample of 40 cases with earned income identified one case where benefit had been overpaid as a result of the Council miscalculating the claimant's income.</p> <p>We extrapolated this error over the remaining population of untested cases.</p> <p>In addition, we identified two cases where benefit had been underpaid as a result of the Council miscalculating the claimant's income. However, as there is no eligibility to subsidy for benefit which has not been paid, the underpayment identified does not affect subsidy and was not classified as an error for subsidy purposes.</p>	<p>The net effect of the extrapolated error was as follows:</p> <ul style="list-style-type: none"> Cell 014 'Short term leased or self contained accommodation where the local authority is the landlord - Expenditure up to the lower of 90% of the appropriate LHA rate for the property plus the management costs element and the upper limit (£500 or £375)' was overstated by £48 (attracts full subsidy) Cell 026 'LA error and administrative delay overpayments' was understated by £48 (attracts no subsidy). <p>As a result, subsidy claimed was overstated by £48. The claim form was not amended for the extrapolated error and we reported this in our qualification letter to DWP.</p>

DETAILED FINDINGS

ERROR DESCRIPTION	IMPACT ON SUBSIDY CLAIMED
NON-HRA RENT REBATES (CONTINUED)	
<p>Incorrect passporting of claims <i>(i.e. claims where individuals are entitled to housing benefits because of their entitlement to certain other benefits or tax credits such as income support and jobseekers allowance)</i></p> <p>Testing of the initial sample of 20 cases and an additional random sample of 40 passported cases identified one case where benefit had been overpaid as a result of the Council incorrectly passporting the claim.</p> <p>As no similar findings were included in our previous qualification letters, we concluded that this error was isolated.</p>	<p>The effect of the identified error was as follows:</p> <ul style="list-style-type: none"> Cell 014 'Short term leaded or self contained accommodation where the local authority if the landlord - Expenditure up to the lower of 90% of the appropriate LHA rate for the property plus the management costs element and the upper limit (£500 or £375)' was overstated by £40 (attracts full subsidy) Cell 026 'LA error and administrative delay overpayments' was understated by £40 (attracts no subsidy). <p>As a result, subsidy claimed was overstated by £40. The claim form was not amended for this error and we reported it in our qualification letter to DWP.</p>
<p>Incorrect treatment of change of address</p> <p>Our testing in the prior year identified two cases where benefit was overpaid as a result of the Council not creating an overpayment when claimants moved address.</p> <p>There were 41 cases in the current year where the claimant moved address and our testing of all of these cases identified two cases where the system failed to recognise overpayments and the issue was not detected by the Council.</p>	<p>The effect of the identified error was as follows:</p> <ul style="list-style-type: none"> Cell 014 'Short term leaded or self contained accommodation where the local authority if the landlord - Expenditure up to the lower of 90% of the appropriate LHA rate for the property plus the management costs element and the upper limit (£500 or £375)' was overstated by £397 (attracts full subsidy) Cell 015 'Short term leaded or self contained accommodation where the local authority if the landlord - Expenditure above the lower of 90% of the appropriate LHA rate for the property plus the management costs element and the upper limit (£500 or £375) was overstated by £884 (attracts no subsidy) Cell 027 'Technical overpayments' was understated by £1,281 (attracts no subsidy). <p>As a result, subsidy claimed was overstated by £397. The claim form was not amended for this error and we reported it in our qualification letter to DWP.</p>

DETAILED FINDINGS

ERROR DESCRIPTION	IMPACT ON SUBSIDY CLAIMED
NON-HRA RENT REBATES (CONTINUED)	
<p>Incorrect netting off of overpayments</p> <p>Testing of the initial sample identified two cases where the Council incorrectly netted off expenditure from the headline and overpayment cell for subsidy purposes due to a manual error in processing a change of address from a non-HRA property. This resulted in an understatement of benefit expenditure.</p> <p>As there is no eligibility to subsidy for benefit which has not been paid, the underpayments identified do not affect subsidy and were not, therefore, classified as errors for subsidy purposes.</p>	<p>This had no impact on subsidy claimed.</p> <p>We reported this issue as an observation in our qualification letter to DWP.</p>
<p>Misclassification in type of accommodation</p> <p>Testing of the initial sample identified one case where the Council misclassified expenditure between cells 012 and 014, with the results that cell 012 was overstated and cell 014 understated. The benefit entitlement was correctly calculated and the detailed cells involved attract the same subsidy rate. The cap was correctly calculated at the cell 014 rate.</p> <p>As there was no impact on subsidy claimed, the issue was not classified as an error for subsidy purposes.</p>	<p>This had no impact on subsidy claimed.</p> <p>We reported this issue as an observation in our qualification letter to DWP.</p>
<p>Incorrect capping of rental liability</p> <p>Testing of the initial sample of 20 cases identified one case where the Council incorrectly capped the rental liability at the LHA rate. This resulted in an understatement of the headline cell and the detailed cell. Due to the specific nature of the error, whereby the system only applies the LHA rate cap to rents above the cap, this will always result in an understatement of rent and an underpayment of benefit.</p> <p>As there is no eligibility to subsidy for benefit which has not been paid, the underpayment identified does not affect subsidy and was not classified as an error for subsidy purposes.</p>	<p>This had no impact on subsidy claimed.</p> <p>We reported this issue as an observation in our qualification letter to DWP.</p>

DETAILED FINDINGS

ERROR DESCRIPTION	IMPACT ON SUBSIDY CLAIMED
NON-HRA RENT REBATES (CONTINUED)	
<p>Incorrect dependants allowance</p> <p>Testing of the initial sample identified one case where benefit had been underpaid as a result of the Council assessing the claim on incorrect dependants allowance. The system caps dependants allowance at two dependants and in this case the claimant was entitled to a dependant allowance for three dependents. The effect of the error is that the headline cell and the detailed cells were understated.</p> <p>As there is no eligibility to subsidy for benefit which has not been paid, the underpayment identified does not affect subsidy and was not classified as an error for subsidy purposes.</p>	<p>This had no impact on subsidy claimed.</p> <p>We reported this issue as an observation in our qualification letter to DWP.</p>
HRA RENT REBATES	
<p>Mismatch in in-year reconciliation cells</p> <p>We noted that the headline cell on the claim form for HRA rent rebates was £425 lower than the in-year reconciliation cell.</p>	<p>The Council amended the final claim form to increase the headline cell by £425.</p> <p>This had no impact on subsidy claimed.</p>
<p>Misclassification of overpayments</p> <p>Testing of the initial sample of 20 cases and an additional random sample of 40 cases identified five case where a Local Authority overpayment was incorrectly classified as an eligible overpayment.</p> <p>These errors resulted in misclassifications between cells on the claim form and an overstatement of subsidy claimed.</p> <p>We extrapolated the errors over the remaining population of untested cases.</p>	<p>The effect of the extrapolated error was as follows:</p> <ul style="list-style-type: none"> Cell 067 'Eligible overpayments' was overstated by £21,765 (attracts 40% subsidy) Cell 065 'LA error and administrative delay overpayments' was understated by £21,765 (attracts no subsidy). <p>As a result, subsidy claimed was overstated by £8,706. The claim form was not amended for this error and we reported it in our qualification letter to DWP.</p>

DETAILED FINDINGS

ERROR DESCRIPTION	IMPACT ON SUBSIDY CLAIMED
HRA RENT REBATES (CONTINUED)	
<p>Miscalculation of earned income</p> <p>Testing of the initial sample of 20 cases and an additional random sample of 40 cases with earned income identified one case where benefit had been overpaid as a result of the Council miscalculating the claimant's income.</p> <p>We extrapolated this error over the remaining population of untested cases.</p> <p>In addition, we identified two cases where benefit had been underpaid as a result of the Council miscalculating the claimant's income. However, as there is no eligibility to subsidy for benefit which has not been paid, the underpayment identified does not affect subsidy and was not classified as error for subsidy purposes.</p>	<p>The effect of the extrapolated error was as follows:</p> <ul style="list-style-type: none"> Cell 061 'HRA rent rebate expenditure attracting full-rate subsidy which is included in cell 055 but not separately identified in this section' was overstated by £85 (attracts full subsidy) Cell 065 'LA error and administrative delay overpayments' was understated by £85 (attracts no subsidy). <p>As a result, subsidy claimed was overstated by £85. The claim form was not amended for the extrapolated error and we reported this in our qualification letter to DWP.</p>
RENT ALLOWANCES	
<p>Mismatch in subsidy balancing workbooks</p> <p>We noted an imbalance of £10,951 in the subsidy balancing reconciliations. On further enquiry it was established that there were two rent allowances claims in the system but not on the subsidy report, due to a system issue.</p>	<p>The effect of the identified error was as follows:</p> <ul style="list-style-type: none"> Cell 102 'Expenditure under the rent officer arrangements: cases excluded from the requirement to refer to the rent officer' was understated by £10,844 (attracts full subsidy) Cell 121 'Eligible overpayments' was understated by £107 (attracts 40% subsidy). <p>The claim form was amended for this error, thereby increasing the subsidy claimed by £10,779.</p>
<p>Mismatch in in-year reconciliation cells</p> <p>We noted that the headline cell on the revised claim form for rent allowances was £2,299 lower than the in-year reconciliation cell. The Council provided an explanation for this difference and no adjustment was made to the claim form.</p>	<p>This had no impact on subsidy claimed. The claim form was not amended and we reported it in our qualification letter to DWP.</p>

DETAILED FINDINGS

ERROR DESCRIPTION	IMPACT ON SUBSIDY CLAIMED
RENT ALLOWANCES (CONTINUED)	
<p>Miscalculation of earned income</p> <p>Testing of the initial sample of 20 cases and an additional random sample of 40 cases with earned income identified two cases where benefit had been overpaid as a result of the Council miscalculating the claimant's income.</p> <p>We extrapolated this error over the remaining population of untested cases.</p> <p>In addition, we identified one case where benefit had been underpaid as a result of the Council miscalculating the claimant's income. However, as there is no eligibility to subsidy for benefit which has not been paid, the underpayment identified does not affect subsidy and was not classified as an error for subsidy purposes.</p>	<p>The effect of the extrapolated error was as follows:</p> <ul style="list-style-type: none"> Cell 103 'LHA expenditure' was overstated by £34,978 (attracts full subsidy) Cell 113 'LA error and administrative delay overpayments' was understated by £34,978 (attracts no subsidy). <p>As a result, subsidy claimed was overstated by £34,978. The claim form was not amended for the extrapolated error and we reported this in our qualification letter to DWP.</p>
<p>Miscalculation of rent liability</p> <p>Testing of the initial sample of 20 cases and an additional random sample of 40 cases identified one case where benefit had been overpaid as a result of the Council miscalculating the claimant's rent liability.</p> <p>We extrapolated this error over the remaining population of untested cases.</p> <p>In addition, we identified one case where benefit had been underpaid as a result of the Council miscalculating the claimant's rent liability. However, as there is no eligibility to subsidy for benefit which has not been paid, the underpayment identified does not affect subsidy and was not classified as an error for subsidy purposes.</p>	<p>The effect of the extrapolated error was as follows:</p> <ul style="list-style-type: none"> Cell 102 'Expenditure under the rent officer arrangements: cases excluded from the requirement to refer to the rent officer' was overstated by £838 (attracts full subsidy) Cell 103 'LHA expenditure' was overstated by £2,096 (attracts full subsidy) Cell 113 'LA error and administrative delay overpayments' was understated by £2,934 (attracts no subsidy). <p>As a result, subsidy claimed was overstated by £2,934. The claim form was not amended for the extrapolated error and we reported this in our qualification letter to DWP.</p>

DETAILED FINDINGS

ERROR DESCRIPTION	IMPACT ON SUBSIDY CLAIMED
RENT ALLOWANCES (CONTINUED)	
<p>Incorrect LHA rate applied</p> <p>Testing of the initial sample of 20 cases and an additional random sample of 40 cases identified one case where benefit had been underpaid as a result of the Council using the incorrect number of bedrooms in calculating the LHA rate.</p> <p>As there is no eligibility to subsidy for benefit which has not been paid, the underpayment identified does not affect subsidy and was not classified as an error for subsidy purposes.</p>	<p>This had no impact on subsidy claimed.</p> <p>We reported this issue as an observation in our qualification letter to DWP.</p>

DETAILED FINDINGS

POOLING OF HOUSING CAPITAL RECEIPTS

Local authorities are required to pay a portion of any housing capital receipt they receive into a national pool administered by central government. The Council is required to submit quarterly returns notifying central government of the value of capital receipts received.

The return provided for our review recorded total receipts of £6,452,297, of which £839,749 was payable to MHCLG.

MHCLG requires that this return is certified but the work is not part of PSAA's certification regime. We therefore agreed a separate letter of engagement to provide agreed upon procedures.

FINDINGS AND IMPACT ON RETURN

Our work was completed and the return was certified before MHCLG's deadline of 11 January 2019.

We found that the Council had incorrectly included the repayment of a discount of £15,050 from April 2013 in the total of amounts from disposals of dwellings that took place before 1 April 2012 under Right to Buy. As a result, the amount was disclosed incorrectly on the return. We reported this issue as an exception in our report to MHCLG.

Our review did not identify any other issues and the return was certified without amendment.

DETAILED FINDINGS

TEACHERS' PENSIONS	FINDINGS AND IMPACT ON RETURN
<p>Local authorities which employ teachers are required to deduct pension contributions and send them, along with employer's contributions, to the Teachers' Pensions office (the body which administers the Teachers' Pension Scheme on behalf of the Department for Education). These contributions are summarised on form EOYCa, which the Council is required to submit to Teachers' Pensions.</p> <p>The return provided for our review recorded total contributions paid of £4,418,854 and an outstanding payable balance of £836.</p> <p>The final certified return recorded total contributions paid of £4,418,854 and an outstanding receivable balance of £1,912.</p> <p>The Department for Education requires that Form EOYC is certified but the work is not part of PSAA's certification regime. We therefore agreed a separate letter of engagement to provide agreed-upon procedures.</p>	<p>Our work was completed and the amended return was certified before the Department for Education's deadline of 30 November 2018.</p> <p>We identified four exceptions in checking that the breakdown of contributions in each tier casts to the percentage rate of the contributory salary. However, satisfactory explanations were received from management for each of these exceptions and we were satisfied that they did not indicate any errors in the return.</p> <p>In checking whether the entries on the return and supporting working papers agreed with the Council's payroll records or information from schools, we identified four errors where the contributory salary was not correctly calculated. This led to differences in the employer and employee contributions, as well as total contributory salary. These errors were corrected in the final return.</p> <p>In our testing of a sample of teachers we found that some employee contributions paid were incorrect, although the correct amounts were recorded in the Council's working papers underpinning the return. Management explained that some technical issues occurred in January and February 2018, which resulted in incorrect employee contribution payments. However, these errors were identified and corrected by the Council in the following month, therefore they were correctly stated in the return.</p> <p>In checking whether all prior year refunds disclosed on the return agreed to correspondence from Teachers' Pensions, we found that there were three prior year refunds for which there was no confirmation from Teachers' Pensions. Management explained that employee pension contributions were deducted in error in the prior year and refunded during 2017/18.</p> <p>We reported these issues as exceptions in our report to Teachers' Pensions.</p>

APPENDICES

APPENDIX I: STATUS OF 2016/17 RECOMMENDATIONS

RECOMMENDATION	PRIORITY	RESPONSIBILITY	TIMING	PROGRESS	STATUS
<p>Housing benefits claim - Non-HRA rent rebates</p> <p>Our audit of the 2016/17 housing benefits subsidy claim found errors in respect of Non-HRA rent rebate expenditure, in particular:</p> <p>a) Misclassification between expenditure up to the LHA cap and expenditure above the LHA cap</p> <p>b) Overpayments not being created when a claimant moved address.</p> <p>We recommended that the Council and its transactional services supplier carries out further reviews of non-HRA rent rebate cases throughout the year to address issues reported, in particular classification issues that have been reported for the past three years.</p>	High	SBC transactional services supplier and contract manager	June 2017	<p>a) Our audit of the 2017/18 claim identified ongoing issues with misclassification of expenditure above and below the cap, therefore this recommendation is carried forward.</p> <p>b) Our audit of the 2017/18 claim did not identify any significant issues regarding the treatment of overpayments when claimants move address, therefore this part of the recommendation is considered closed.</p>	<p>a) Open</p> <p>b) Closed</p>
<p>Housing benefit claim - Non-HRA rent rebates</p> <p>Our audit of the 2016/17 housing benefits subsidy claim found errors in respect of the classification of rent allowances overpayments.</p> <p>We recommended that the Council and its transactional services supplier carries out further reviews of rent allowances overpayment classifications to address issues reported, and that this is completed before the 2017/18 claim form is finalised.</p>	High	SBC transactional services supplier and contract manager	June 2017	Our audit of the 2017/18 claim did not identify any issues regarding classification of rent allowances overpayments, therefore this recommendation is considered closed.	Closed

APPENDIX II: 2017/18 RECOMMENDATIONS AND ACTION PLAN

CONCLUSIONS FROM WORK	RECOMMENDATIONS	PRIORITY	MANAGEMENT RESPONSE	RESPONSIBLE OFFICER	TIMING
<p>Housing benefits claim</p> <p>Our audit of the 2017/18 housing benefits subsidy claim identified a number of errors, as highlighted in this report.</p>	<p>We recommend that the Council and its transactional services supplier carries out detailed reviews in the problem areas identified by the 2017/18 audit, to ensure that data is cleansed before preparing the 2018/19 subsidy claim.</p>	High	<p>SBC will continue to check random cases in the large cells and full caseload in the smaller cells of the claim form prior to submission</p>	<p>SBC transactional services supplier and contract manager</p>	<p>Prior to submission of 2018/19 claim (30th April 2019)</p>

APPENDIX III: FEES SCHEDULE

	2017/18 FINAL	2017/18 PLANNED	2016/17 FINAL	EXPLANATION FOR VARIANCES
	£	£	£	
PSAA regime				
Certification fee (Housing benefit subsidy claim)	38,000	30,000	30,000	Increase agreed with management due to a higher level of 40+ testing required this year as a result of errors identified by the audit (we tested 11 lots of 40+ this year compared to 6 lots in 2016/17), as a well as difficulties encountered in obtaining system reports for some of the additional testing.
TOTAL PSAA REGIME FEES	38,000	30,000	30,000	
Other certification work				
• Pooling of Housing Capital Receipts return	2,300	1,800	1,800	Increase agreed with management due to a change in MHCLG's requirements this year.
• Teachers' pensions return	3,535	3,535	3,535	N/A
TOTAL CERTIFICATION FEES	43,835	35,335	35,335	



FOR MORE INFORMATION:

JANINE COMBRINCK
Engagement lead

T: +44 (0)20 7893 2631
E: janine.combrinck@bdo.co.uk

The matters raised in our report prepared in connection with the audit are those we believe should be brought to the attention of the organisation. They do not purport to be a complete record of all matters arising. No responsibility to any third party is accepted.

BDO LLP is a corporate establishment under the Limited Liability Partnership Act 2000 and a UK Member Firm of BDO International. BDO Northern Ireland, a separate partnership, operates under a licence agreement. BDO LLP and BDO Northern Ireland are both separately authorised and regulated by the Financial Conduct Authority to conduct investment business.

Copyright ©2019 BDO LLP. All rights reserved.

www.bdo.co.uk

