

The Members of the Performance, Audit and Governance
Scrutiny Committee
East Hertfordshire District Council
Wallfields
Pegs Lane
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Ref: dh/ks/BEN01/17

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Dear Members

Certification of claims and returns annual report 2016/17 East Hertfordshire District Council

We are pleased to report on our certification work. This letter summarises the results of our work on East Hertfordshire District Council's 2016/17 housing benefit subsidy claim.

Scope of work

Local authorities claim large sums of public money in grants and subsidies from central government and other grant-paying bodies and must complete returns providing financial information to government departments. In some cases these grant-paying bodies and government departments require appropriately qualified auditors to certify the claims and returns submitted to them.

From 1 April 2015, the duty to make arrangements for the certification of relevant claims and returns and to prescribe scales of fees for this work was delegated to the Public Sector Audit Appointments Ltd (PSAA) by the Secretary of State for Communities and Local Government.

For 2016/17, these arrangements required only the certification of the housing benefits subsidy claim. In certifying this claim we followed a methodology determined by the Department for Work and Pensions and did not undertake an audit of the claim.

Summary

We checked and certified the housing benefits subsidy claim which had a total value of £35.2 million. No amendments were required to the claim, nor did we identify any issues that required reporting to the Department for Work and Pensions. We submitted the certified claim on 8 November 2017, well ahead of the deadline of 30 November.

Fees

The PSAA determine a scale fee each year for the audit of claims and returns. For 2016/17, these scale fees were published by the Public Sector Audit Appointments Ltd (PSAA's) in March 2016 and are available on the PSAA's website (www.psa.co.uk). Details of the fees for 2016/17 and 2015/16 are set out on the next page.

	2016/17	2016/17	2015/16
	Actual fee £	Indicative fee £	Actual fee £
Housing benefits subsidy claim	4,759	5,955	8,316

This year we agreed with the Council's Head of Strategic Finance and Property that we would reduce the scale fee by 20% if the housing benefit team undertook the initial testing of the non housing revenue account rent rebates and rent allowances. The actual fee shown above is inclusive of this reduction. The reduction in the fee has to be approved by PSAA and we are in the process of obtaining the required approval.

2017/18

From 1 April 2015, the duty to make arrangements for the certification of relevant claims and returns and to prescribe scales of fees for this work was delegated to (PSAA) by the Secretary of State for Communities and Local Government.

The Council's indicative certification fee for 2017/18 is £8,316. This was set by PSAA and is based on final 2015/16 certification fees.

Details of individual indicative fees are available at the following web address:

<https://www.psa.co.uk/audit-fees/201718-work-programme-and-scales-of-fees/individual-indicative-certification-fees/>

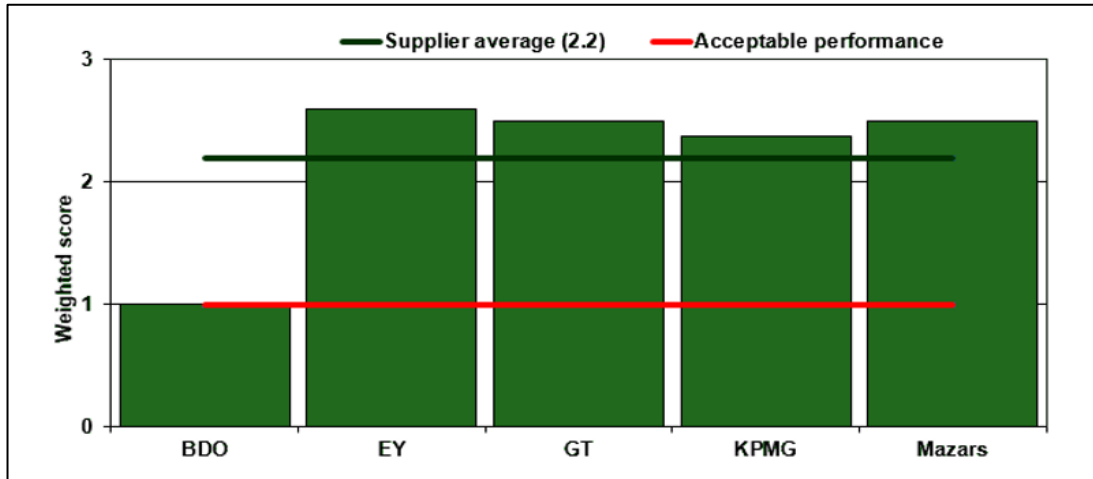
We must seek the agreement of PSAA to any proposed variations to these indicative certification fees. We will inform the Council's Head of Strategic Finance and Property before seeking any such variation.

2018/19

From 2018/19, the Council will be responsible for appointing their own reporting accountant to undertake the certification of the housing benefit subsidy claim in accordance with the Housing Benefit Assurance Process (HBAP) requirements that are being established by the DWP. DWP's HBAP guidance is under consultation and is expected to be published around January 2018.

We would be pleased to undertake this work for you, and can provide a competitive quotation for this work.

We currently provide HB subsidy certification to 106 clients, through our specialist Government & Public Sector team. We provide a quality service, and are proud that in the PSAA's latest Annual Regulatory and Compliance Report (July 2017) we score the highest of all providers, with an average score of 2.6 (out of 3).



As we also expect to be appointed as your statutory auditor by PSAA in December 2017, we can provide a comprehensive assurance service, making efficiencies for you and building on the knowledge and relationship we have established with your housing benefits service.

We welcome the opportunity to discuss the contents of this report with you at the Performance, Audit and Governance Scrutiny Committee meeting due to be held on 16 January 2018.

Yours faithfully

Debbie Hanson
Associate Partner
Ernst & Young LLP