



WEST OXFORDSHIRE
DISTRICT COUNCIL

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Name and date of Committee	Audit and General Purposes Committee: Thursday 24 June 2021
Report Number	Agenda Item 9
Subject	KPMG LLP REPORTS – HOUSING BENEFIT SUBSIDY CERTIFICATION
Wards affected	None
Accountable member	Cllr Suzi Coul. Cabinet Member for Finance Tel: 01993 861000 Email: suzi.coul@westoxon.gov.uk
Accountable officer	Jon Dearing. Group Manager : Resident Services Tel: 01285 623000 Email: jon.dearing@publicagroup.uk
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Summary/Purpose	For the Committee to note the outcome of the Housing Benefit Subsidy Grant Certification audit for 2019/2020
Annexes	None
Recommendation/s	<i>To note the outcome of the housing benefit subsidy certification work</i>
Corporate priorities	Delivering excellent modern services whilst ensuring financial sustainability of the Council
Key Decision	No
Exempt	No
Consultees/ Consultation	The Council Leader, The Cabinet Member for Finance, The Chief Executive, The Deputy Chief Executive, The Monitoring Officer, Group Manager for Resident Services; Interim Head of Legal Services

1. BACKGROUND

- 1.1.** In financial years prior to 2018/19, the annual housing benefit subsidy audit formed part of the procurement process for external audit services. This procurement was carried out on behalf of local authorities by the Audit Commission.
- 1.2.** Since the demise of the Audit Commission, the Council has used PSAA Ltd (a company established and owned by the Local Government Association) to procure its external audit services.
- 1.3.** Due to changing legislation, the procurement for external audit services from 2018/19 onwards could not include the audit of the Housing Benefit Subsidy claim. Therefore, with effect from the 2018/19 financial year, the Council has been required to procure this specialist service directly and has procured the services of KPMG LLP to carry out the Housing Benefit subsidy claim audit for the 2018/19 and 2019/20 financial years.

2. MAIN POINTS

- 2.1.** The Certification process aims to ensure that subsidy claims are fairly stated and provides assurance that the housing benefit scheme is being administered correctly.
- 2.2.** Local Government administers the Government's housing benefits scheme for tenants and can claim subsidies from the Department for Work and Pensions (DWP) towards the cost of benefits paid. The certification guidance requires auditors to complete more extensive '40+' or extended testing if initial testing identifies errors in the calculation of benefit or compilation of the claim. 40+ testing may also be carried out as a result of errors that have been identified in the audit of previous year's claims.
- 2.3.** The Revenues and Benefits Service administer thousands of benefit assessments during any financial year and whilst that work is undertaken with a high degree of accuracy, supported by robust quality assurance measures, a level of error is unavoidable.
- 2.4.** During 2019/2020 the Housing Benefit Team administered approximately 13,420 changes in circumstances, and paid out approximately £17,219,707 in Housing Benefit. The total subsidy claimed for by West Oxfordshire District Council was £17,219,707. The Team also identified £1,432,300 of overpaid Housing Benefit recoverable from claimants. In the year, claimants repaid a total of £1,340,288, including recovery of debts from previous years.
- 2.5.** In the initial sample of Housing Benefit cases, KPMG LLP found two claims to be incorrect resulting in the subsidy claim being understated. These errors were due to the incorrect assessment of earned income. These errors did not impact on the level of subsidy claimed; and both claims were corrected. However, as errors were found a further check on 40 similar claims was carried out which did not identify any further discrepancies.
- 2.6.** The Council's Chief Finance Officer has received and reviewed a copy of the Certification Letter which summarises the key findings from the work carried out by KPMG LLP on the Council's Housing Benefit Subsidy Claim for 2019/2020. There were no recommendations made by KPMG LLP in the Letter.

3. FINANCIAL IMPLICATIONS

- 3.1.** The fees for the Housing Benefit Subsidy certification work will be in line with budget.

4. LEGAL IMPLICATIONS

4.1. There are no legal implications in respect of this report.

5. RISK ASSESSMENT

There are no risks associated with this report.