



Annual Report on grants and returns 2015/16

Stroud District Council

—
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Headlines

Introduction and background

This report summarises the results of work we have carried out on the Council's 2015/16 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 2015/16 is:

- Under the Public Sector Audit Appointments arrangements we certified one claim – the Council's 2015/16 Housing Benefit Subsidy claim. This had a value of £24.9m
- Under separate assurance engagements we certified 3 claims/returns as listed below.
 - The Pooling of Housing Capital Receipts 2015/16 Return to Department for Communities and Local Government.
 - Two Housing and Communities Agency (HCA) Compliance reports on specific housing development projects.

We also concluded the certification work on the Pooling of Housing Capital Receipts Return for 2014/15 following delays in the previous year certification.

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:

- A report to DCLG relating to the Pooling of Housing Capital Receipts Return, which was qualified as a result of the lack of retained evidence for us to verify the historic 1999 housing valuations used in certain aspects of the return. A similar qualification was also required for the 2014/15 report finalised during the year;
- Two audit findings statements to HCA which contained no significant non-compliance issues.

No adjustments were necessary to the Council's grants and returns for 2015/16 as a result of our certification work this year. The Pooling of Housing Capital Receipts 2014/15 return was amended during its finalisation this year (see page 5).

Recommendations

We have made no recommendations to the Council from our work this year and agreed an action plan with officers.

In addition there were 3 recommendations outstanding from previous years' work on grants and returns. Only one of these recommendations related to a grant that is still in scope for certification this year (the other two related to the one-off Decent Homes Funding grant). We have confirmed during our 2015/16 certification that the remaining recommendation (relating to the accuracy of new build expenditure within the Pooling of Housing Capital Receipts Return) has been implemented.

Fees (Page 6)

Our fee for certifying the Council's 2015/16 Housing Benefit Subsidy grant was £9,900, which is in line with the indicative fee set by PSAA.

Our fees for the other 'assurance' engagements were subject to agreement directly with the Council and were:

- Pooling of Housing Capital Receipts Return 2015/16– £3,000
- Pooling of Housing Capital Receipts Return 2014/15 additional fee – £3,460
- HCA Compliance audits x 2 - £3,500

Summary of reporting outcomes





Overall, we carried out work on 4 grants and returns relating to 2015/16:

- 3 were unqualified with no amendment or significant findings reported; and
- 1 required a qualification to our audit certificate.

Detailed comments are provided overleaf.

Detailed below is a summary of the reporting outcomes from our work on the Council’s 2015/16 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
Public Sector Audit Appointments regime					
— Housing Benefit Subsidy					
Other assurance engagements					
— Pooling of Housing Capital Receipts Return 2015/16					
— HCA Compliance audits x 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>Pooling of Housing Capital Receipts Return 2015/16</p> <ul style="list-style-type: none"> — The return was qualified as a result of our inability to perform the test to agree a sample of Right to Buy disposals included in the quarterly 'input data' worksheet to confirm that the archetypes and 1999 valuations have been recorded correctly, as the relevant prime housing records used to populate the Council's housing records spreadsheet could not be located by the Council. — This qualification was also applied to the 2014/15 return which was finalised this year following amendments made to the new build expenditure figures within the return. 	N/A

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 2015/16 was £16,400.

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 2015/16 of £9,900. Our actual fee was the same as than the indicative fee, and this compares to the 2014/15 fee for this claim of £10,120.

Grants subject to other assurance engagements

The fees for our assurance work on other grants/returns are agreed directly with the Council. Our fees for 2015/16 were in line with the fees agreed in advance with the exception of the additional fee charged to finalise the 2014/15 Pooling of Housing Capital Receipts Return. Other movements in fee as a result in the change in one-off grant certifications required.

Breakdown of fees for grants and returns work

Breakdown of fee by grant/return		
	2015/16 (£)	2014/15 (£)
Housing Benefit Subsidy claim	9,900	10,120
Pooling of Housing Capital Receipts Return	3,000	6,460*
HCA Compliance audit x 2	3,500	N/A
Decent Homes Backlog Funding	N/A	3,500
Total fee	16,400	20,080

* Includes £3,460 additional fee charged during 2015/16 to finalise 2014/15 claim



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