



WEST OXFORDSHIRE
DISTRICT COUNCIL

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Name and date of Committee	Audit and General Purposes Committee – Thursday 23 July 2020
Report Number	Agenda Item No. 10
Subject	KPMG LLP Report – Housing Benefit Subsidy Certification
Wards affected	None
Accountable member	Cllr Toby Morris. Cabinet Member for Resources and Deputy Leader Tel: 01996 862000 Email: toby.morris@westoxon.gov.uk
Accountable officer	Jon Dearing. Group Manager : Resident Services Tel: 01993 861221 Email: jon.dearing@publicagroup.uk
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Summary/Purpose	For the Committee to receive and discuss the Housing Benefit Subsidy Grant Certification Letter for 2018/19.
Annex	Annex A – KPMG Housing Benefit Subsidy Certification Letter (exempt)
Recommendation	That the outcome of the housing benefit subsidy certification work be noted.
Corporate priorities	Ensure that all services delivered by the Council are delivered to the highest standard.
Key Decision	No
Exempt	Annex A to this report is not for publication. KPMG have stated that “Our report is prepared solely for the confidential use of the Local Authority and the DWP and solely for the purpose of facilitating the claim for Housing Benefit Subsidy on form MPF720A dated 30 April 2019. <i>This report should not be copied, referred to or disclosed, in whole (save as otherwise permitted by the standardised engagement terms) or in part, without our prior written consent.”</i>
Consultees/ Consultation	Portfolio Holder Section 151 Officer Monitoring Officer Head of Paid Service Senior Management Team

1. BACKGROUND

- 1.1. The housing benefit subsidy audit had until recently formed part of the procurement process for external audit, which was carried out on behalf of local authorities by the Audit Commission.
- 1.2. Since the demise of the Audit Commission, the Council has approved the use of 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. During 2018/19 the Housing Benefit Team administered over 19,377 changes in circumstances, and paid out approximately £20,277,811 in Housing Benefit. The total subsidy claimed for by West Oxfordshire District Council was £19,924,134. There was also £422,071 of Housing Benefit overpayments raised of which approximately 92% has been recovered, with the remaining balances being recovered through repayment arrangements.
- 2.3. The Certification Letter (Annex A) summarises the key findings from the work carried out by KPMG LLP on the Council's Housing Benefit Subsidy Claim for 2018/19.
- 2.4. There were adjustments to the claim due to errors found within the administration of housing benefit and the calculations of such claims which have resulted in an overstated subsidy claim of £20,998 which is recoverable and was deducted from the interim subsidy payment due to the Council in February 2020.
- 2.5. The audit has not given any recommendations on what the Council should do to improve processes for future claims; however, internal controls including the quality and assurance checking on claims will continue with additional attention being made to the non HRA claims (bed and breakfast claims) and those claims with earnings.

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

- 5.1. There are no risks associated with this report.