

# Grants report 2017/18

City of York Council

January 2019





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# 1. SUMMARY AND FINDINGS

## Summary

This report summarises our work in respect of the Council's grant claims and returns for 2017/18. We carry out this work both as an agent of Public Sector Audit Appointments (in relation to the Housing Benefits Subsidy return) and through being engaged directly by the Council to undertake assurance work on two other 2017/18 returns (Teachers' Pensions and Homes England).

In respect of the Housing Benefits Subsidy return, we certified the return on the 29<sup>th</sup> November 2018, in line with the end of November 2018 deadline. The return was subject to some relatively minor amendments identified from our work, and this year we also submitted a qualification letter setting out our consideration of a number of other issues we identified from our testing. These are discussed in more detail below.

For the Teachers' Pensions return we issued our report on 30 November 2018. Again we identified a number of amendments that were required to be made to the return and a few exceptions in relation to the agreed upon procedures were noted in our report to the Teachers' Pensions Agency.

We issued our report on the Homes England grant to the Homes and Communities Agency on 5 September 2018. No significant issues were raised in our report.

## Background

For the Housing Benefits Subsidy return, on completion of the specified work we issue a certificate. The certificate states the return has been certified either without qualification; without qualification following amendment by the Council; or with a qualification letter. Where we issue a qualification letter or the return is amended by the Council, the grant paying body (DWP) may withhold or claw-back subsidy.

For claims and returns that fall outside of the Public Sector Audit Appointments regime, we issue an assurance report or provide assurance in accordance with the requirements of the grant-paying body (Teachers Pensions Agency and Homes and Communities Agency).

## Findings: Housing Benefits Subsidy return

Return	Value of return - 2017/18	Value of return - 2016/17
Housing Benefits Subsidy return	£36,881,419	£40,484,425

The Housing Benefits Subsidy return for 2017/18 was subject to both amendment and a qualification letter.

There were a small number of amendments made to the return as a result of errors identified during testing where it was possible to quantify the full error and therefore amend the return. These amendments increased subsidy for 2017/18 by £1,328.

Other errors, where it was not possible to quantify the full error, were reported in our qualification letter. The qualification letter detailed the following:

- an information only tick had been incorrectly applied to a claimant's state retirement pension amount, but the error had no impact on subsidy and further testing indicated that this was an isolated case;
- an error in the calculation of claimant earned income was identified from our initial testing, resulting in underpayment of benefit. Further testing of an additional sample did not identify any further errors; and
- a modified scheme case where the calculation performed by the benefits software could not be determined and additional investigations are now being conducted by officers with the software supplier.

We do not expect any of these reported issues to result in a reduction to the 2017/18 subsidy. Nevertheless, officers have said that they have considered these points and have put in place a new exception report for information only ticks that will be run regularly; are confident that given the small value of the earned income error (£0.07) that current QA checks are sufficient; and that they are waiting for a response on the modified scheme case from the software supplier.

# 1. SUMMARY AND FINDINGS - CONTINUED

## Findings: Teachers' Pension return

Return	Value of return - 2017/18	Value of return - 2016/17
Teachers' Pension return	£8,386,193	£9,643,503

Our work on the Teachers' Pensions return for 2017/18 identified a number of minor amendments and other exceptions that we are required to include in our report to the Teachers' Pensions Agency. These are summarised below.

Amendments were made to the form that increased the value of the return / total contributions paid by £292 and ensured that:

- the return values agreed to payroll records and supporting working papers; and
- the contributions paid value on the return agreed to the value in the accounts and the amount that Teachers' Pensions had advised as being received by them from the Council for 2017/18.

These amendments relate to relatively simple errors between supporting records and the values on the return and these have been identified in each of the previous two years. Officers have agreed to consider how such errors can be avoided in the future.

Other exceptions:

- We identified an issue in that several teachers' service records had not be updated on the employer portal, which is believed to be because of an issue with the submission of the 2017/18 annual return data. Officers have been in contact with Teachers' Pensions regarding this and have put plans an action to rectify the situation.

## Findings: Homes England return

The grant relates to the Glen Lodge Scheme York, Sixth Avenue which started in July 2016 and was completed in November 2017.

The Homes and Communities Agency requires us to complete an audit assurance checklist in relation to the Homes England grant funding received since the start of the scheme. There were no significant findings or issues identified from our completion of this checklist.

We submitted our report to the Homes and Communities Agency on 5 September 2018.

## 2. FEES

### Fees for certification work: Housing Benefits Subsidy return

PSAA set an indicative fee for our work on the Council's Housing Benefit Subsidy return. This indicative fee, and the final fee charged for 2017/18, is detailed in the table below:

2017/18 scale fee	2017/18 planned fee	2016/17 actual fee
£11,679	£11,679	£11,415

From 2018/19, the Subsidy return is no longer subject to oversight by PSAA. Instead the Council are able to tender for the work and appoint an auditor. We have been appointed to undertake the work in 2018/19 at an indicative fee of £11,500.

### Fees for assurance work: Teachers' Pension return

2017/18 actual fee	2017/18 planned fee	2016/17 actual fee
£5,000	£5,000	£5,000

The assurance work for this return is not subject to oversight by PSAA i.e. the Council directly engages us to carry out the agreed-upon procedures for this return as specified by the Teachers' Pension Agency.

### Fees for assurance work: Homes England return

The agreed fee for the work was £2,500.

The assurance work for this return is not subject to oversight by PSAA i.e. the Council directly engages us to carry out the agreed-upon procedures for this return as specified by the Homes and Communities Agency.

## 3. CONTACT DETAILS

Please let us know if you would like further information on any items in this report.

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