



## **Governance & Audit Committee 10 March 2021**

### **Housing Benefit Grant Certification 2019/20**

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#### **Purpose of report**

To provide an update on the 2019/20 Housing Benefit grant certification work undertaken by KPMG LLP.

#### **Attachment(s):**

Appendix 1 – Housing Benefit (Subsidy) Assurance Process report 2019/20

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#### **1.0 Introduction**

1.1 This report summarises the results of work undertaken by KPMG LLP on the certification of the council's 2019/20 Housing Benefit grant claim and return.

#### **2.0 Certification of grant claim and return 2019/20**

2.1 KPMG LLP carried out certification work on the council's Housing Benefit Subsidy claim, the certified value of which was £14 million.

2.2 The certification work included:

- agreeing standard rates, such as allowances and benefit incomes, to the DWP Circular communicating the value for 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;
- confirming that the subsidy claim had been prepared using the correct benefits system version; and
- completing testing in relation to modified scheme payments and verifying the accurate completion of the claim form.

2.3 Full details of the certification work and findings can be found in Appendix 1

2.4 To summarise; there were no issues or errors identified and therefore no recommendations have been made to improve the claim completion process.

#### **3.0 Equality and Diversity Implications**

3.1 There are no equality and diversity issues arising from this report.

#### **4.0 Privacy Implications**

4.1 This report is for information. There are no privacy implications arising from the content.

#### **5.0 Health Impact Assessment**

5.1 There are no health implications arising from this report.

#### **6.0 Legal Implications**

6.1 There are no legal implications arising from this report.

## 7.0 Risk Management

7.1 There are no risk management implications arising from this report.

## 8.0 Resource and Financial Implications

8.1 There are no financial implications arising from this report.

## 9.0 Constitutional Implications

9.1 There are no constitutional implications arising from this report

## 10.0 Implications for Our Customers

10.1 There are no implications for our customers arising from this report.

## 11.0 Corporate Outcomes


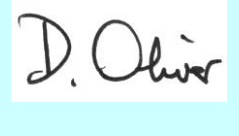
11.1 This report links to the following Corporate Outcomes:

- **Effective Management** - *The results of the grant certification allow the council to manage and review its financial performance, contributing to the effective management of the council.*

## 11.0 Recommendations

11.1 Members are asked to note the contents of this report.

*(Reason: This is an information report which addresses the management of benefits payments by the council)*

<b>Legal</b>	Power: Audit Commission Act 1998, the Local Government Act 1999 and the Audit Commission's Code of Audit Practice.				
	Other considerations:				
<b>Background Papers:</b>					
<b>Person Originating Report:</b> Lucy Hogston, Interim Head of Customer & Community Services <a href="mailto:lhogston@east-northamptonshire.gov.uk">lhogston@east-northamptonshire.gov.uk</a>					
<b>Date:</b> 06/03/2020					
<b>CFO</b> 26.02.21		<b>MO</b>		<b>CX</b> 26.02.21	



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**Private & confidential**

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DWP Business Finance & Housing Delivery  
Directorate  
Room B120D  
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Blackpool  
Lancashire  
FY2 0UZ

Our ref ENH/Ben01

Contact Andrew Bostock

Mr Glenn Hammonds  
East Northamptonshire Council  
Cedar Drive  
Thrapston  
Northamptonshire, NN14 4LZ

25 February 2021

Dear Glenn,

**Housing Benefit (Subsidy) Assurance Process 2019/20 Module 6 DWP Reporting Framework Instruction (Applicable to England only) Reporting accountants' report for the Housing Benefit Subsidy claim form MPF720A, year ended 31 March 2020**

This report is produced in accordance with the terms of our engagement letter with the East Northamptonshire Council dated 26 October 2020 and the standardised engagement terms in Appendix 2 of HBAP Module 1 2019/20 issued by the Department for Work and Pensions (DWP) for the purpose of reporting to the Section 151 Officer of East Northamptonshire Council and the DWP.

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 17 April 2020.

This report should not be copied, referred to or disclosed, in whole or in part (save as otherwise permitted by the standardised engagement terms), without our prior written consent. Without assuming or accepting any responsibility or liability in respect of this report to any party other than the local authority and the DWP, we acknowledge that

the local authority and/or the DWP may be required to disclose this report to parties demonstrating a statutory right to see it.

This report is designed to meet the agreed requirements of Local Authority and the DWP as described in the DWP HBAP reporting framework instruction 2019/20.

This report should not therefore be regarded as suitable to be used or relied by any other party for any purpose or in any context. Any party other than the Local Authority and the DWP which obtains access to this report or a copy and chooses to rely on this report (or any part of it) will do so entirely at its own risk. To the fullest extent permitted by law, we accept no responsibility or liability in respect of our work or this report to any other party and shall not be liable for any loss, damage or expense of whatsoever nature which is caused by the reliance of anyone other than the addressees on our work or this report.

### **Respective responsibilities of the Local Authority and the reporting accountant**

We conducted our engagement in accordance with HBAP Modules 1 and 6 2019/20 issued by the DWP, which highlight the terms under which DWP has agreed to engage with reporting accountants.

The Section 151 Officer of the Local Authority has responsibilities under the Income-related Benefits (Subsidy to Authorities) Order 1998. The section 151 Officer is also responsible for ensuring that the Local Authority maintains accounting records which disclose with reasonable accuracy, at any time, the financial position of the Local Authority. It is also the Section 151 Officer's responsibility to extract relevant financial information from the Local Authority's accounting records, obtain relevant information held by any officer of the Local Authority and complete the attached form MPF720A in accordance with the relevant framework set out by the DWP.

### **Our approach**

For the purpose of the HBAP engagement we have been provided with a signed copy of form MPF720A 2019/20 dated 17 April 2020 by the Section 151 Officer. The Section 151 Officer remains solely responsible for the completion of the MPF720A and is the signatory on the local authority's certificate on claim form MPF720A.

Our engagement was carried out in accordance with the DWP reporting framework instruction which has been prepared in accordance with the *International Standard on Related (ISRS) 4400, Engagement to perform agreed-upon-procedures regarding*

*financial information.* The purpose of the engagement is to perform the specific test requirements determined by the DWP on the defined sample basis as set out in HBAP Modules of the HBAP reporting framework instruction on the Local Authority's form MPF720A dated 17 April 2020, and to report the results of those procedures to the Local Authority and the DWP.

The results of these are reported on in appendices A, B, C and D.

### **Inherent limitations**

The procedures specified in DWP's HBAP Reporting framework instruction does not constitute an examination made in accordance with generally accepted auditing standards, the objective of which would be the expression of assurance on the contents of the local authority's claim for Housing Benefit subsidy on form MPF720A. Accordingly, we do not express such assurance. Had we performed additional procedures, or had we performed an audit or review of the local authority's claim for Housing Benefit subsidy on form MPF720A in accordance with generally accepted auditing or review standards, other matters might have come to our attention that would have been reported to you. This report relates only to the Local Authority's form MPF720A and does not extend to any financial statements of the Local Authority, taken as a whole.

### **Summary of HBAP report**

#### **Summary of Initial Testing**

In accordance with HBAP modules an initial sample of cases was completed for all general expenditure cells. We have re-performed a sample of the Local Authority's testing and confirm the tests we have carried out concur with the Local Authority's results:

Cell 011      Non HRA Rent Rebate

No claims were found to be in error.

Cell 094      Rent Allowance

No claims were found to be in error.

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Cell 225 Modified Schemes

No claims were found to be in error.

### **Completion of Modules**

The Specific Test Requirements set out in Module 1 Appendix 3 have been completed, including testing required by Modules 2 and 5 as detailed below.

Completion of Module 2

No issues were identified.

Completion of Module 5

We have completed the questionnaire for the appropriate software supplier and no issues were identified.

### **Summary of testing arising from Cumulative Assurance Knowledge and Experience**

In line with the requirements of HBAP Modules one set of CAKE testing was required based upon the prior year HBAP Accountants report, in relation to the verification of war widow pension income. The authority completed a 100% check on all modified scheme cases included in cells 214/225. No errors were identified from this testing. As such this area of CAKE testing is now considered closed.

### **Summary paragraph/ending of letter**

For the form MPF720A dated 17 April 2020 for the year ended 31 March 2020 we have completed the specific test requirements detailed in the DWP reporting framework instruction HBAP and have identified the following results set out in Appendix A, B, C and D.

Firm of accountants: KPMG LLP

Office.....One Snowhill, Snowhill, Queensway, Birmingham B4 6GH

Contact details (person, phone and email) Andrew Bostock, Partner, 07796 313249, Andrew.Bostock@kpmg.co.uk



25 February 2021

Signature / stamp.....

Date.....

Yours faithfully

KPMG LLP  
*Chartered Accountants*

*Attachments:*

- Appendix A Exceptions/errors found
- Appendix B Observations
- Appendix C Amendments
- Appendix D Additional Issues

**Appendix A - Exceptions/errors found**

None.

**Appendix B – Observations**

None

**Appendix C – Amendments to claim form MPF720A**

None

**Appendix D – Additional Issues**

None.