

Southend-on-Sea Borough Council

Agenda
Item No.

Report of the Executive Director (Finance and
Resources)

to

Audit Committee

on

28th April 2021

Report prepared by: Deloitte Reporting Accountant

Deloitte: Results of grant claim and assurance work for the Year ended 31 March 2020

A Part 1 Public Agenda Item

1. Purpose of Report

- 1.1 To present the results of the reporting accountant's work on the Housing Benefit Subsidy Claim assurance report and the Teachers' Pensions End of Year Certificate for the year ended 31 March 2020 to the Audit Committee.

2. Recommendation

- 2.1 The Audit Committee accepts the results of grant claim and assurance work for the year ended 31 March 2020.**

3. Background

- 3.1 The arrangements for providing assurance to government departments and agencies in respect of the Council's claim for subsidy towards expenditure, or certain information returns requiring external independent assurance, changed from 2018/19 and are no longer overseen by Public Sector Audit Appointments Limited (PSAA). As a result the government departments and agencies now produce standardised assurance procedures and the Council is required to appoint its own reporting accountants to undertake that work.
- 3.2 Southend have appointed Deloitte to undertake that work and this report details the outcome of their work.

4. Housing Benefit Subsidy Claim

- 4.1 The Department for Work and Pensions (DWP) require external independent assurance in respect of the Council's claim for subsidy towards expenditure that it has incurred on providing Housing Benefit to appropriate claimants in accordance with the DWP's scheme.

- 4.2 Due to the nature and volume of work the Council undertakes administering the DWP's Housing Benefit arrangements it is inevitable that errors will be made, and the detailed nature of the assurance procedures performed by the reporting accountants will identify some of these errors, as is reflected in the results of the work. However the DWP's arrangements recognise this and includes a threshold for errors made by the local authority that has an impact on the amount of subsidy that the Council receives. The Committee should note that the value of local authority errors reported in the return is below the DWP's threshold and therefore there has been no impact on the amount of subsidy received by the Council.
- 4.3 Following submission of Deloitte's report in March the DWP have yet to confirm that the position is finalised. However given the results of the work reported in the submission it is expected that there will be no change to the subsidy claimed for 2019/20 and confirmation from the DWP is expected in July.
- 4.4 A copy of Deloitte's report to the DWP is attached at Appendix 1 for the Committee's information.

5. Teachers' Pensions End of Year Certificate

- 5.1 The Teachers' Pensions Agency administer the pension arrangements for teachers and require external independent assurance in respect of the Council's deduction of pension contributions from teachers' salaries and the resultant contributions that are made by the Council to the Teachers' Pension Agency.
- 5.2 Deloitte have undertaken the agreed upon procedures required by the Teachers' Pension Agency and have identified no exceptions that need to be reported.
- 5.3 A copy of Deloitte's report to the Teachers' Pensions Agency is attached at Appendix 2 for the Committee's information.

6. Corporate Implications

6.1 Contribution to the Southend 2050 Road Map

All audit work provides assurance and identifies opportunities for improvements that contribute to the delivery of all Southend 2050 outcomes.

6.2 Financial Implications

Deloitte were appointed by the Council to undertake the DWP's assurance procedures following a competitive process, and the agreed cost for the work required is £27,000.

6.3 Legal Implications

The Council is required to provide independent assurance from a reporting accountant to the DWP and the Teachers Pensions Agency utilising their assurance procedures, to support the Council's information submitted to those departments. By considering this report, the Committee can satisfy itself that this requirement is being discharged.

6.4 People Implications

None.

6.5 Property Implications

None.

6.6 Consultation

None.

6.7 Equalities and Diversity Implications

None.

6.8 Risk Assessment

The Council receives significant funding streams that require reporting accountants to provide assurance that the funding has been used in accordance with the funders' expectations. This funding would be at risk if the reporting accountants were not able to provide that assurance.

6.9 Value for Money

None.

6.10 Community Safety Implications

None.

6.11 Environmental Impact

None.

7. Background Papers

- National Audit Offices' Code of Audit Practice 2015
- DWP Housing Benefit (Subsidy) Assurance Process 2019/20

8. Appendices:

- Appendix 1: Deloitte's Housing Benefit Subsidy Claim assurance report for the Year ended 31 March 2020
- Appendix 2: Deloitte's Independent Reporting Accountants' agreed-upon procedures report in connection with Teachers' Pensions End Of Year Certificate return for the year ended 31 March 2020