

# Southend-on-Sea City Council

Agenda  
Item No.

Report of the Deputy Chief Executive and Executive  
Director (Finance and Resources)

to

**Audit Committee**

on

**26 April 2023**

Report prepared by: Andrew Barnes (Head of Internal Audit  
and Counter Fraud)

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## **Results of Housing Benefit (Subsidy) Assurance Process for the year ended 31 March 2022**

### ***A Part 1 Public Agenda Item***

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#### **1. Purpose of Report**

- 1.1 To present the results of the reporting accountant's work on the Housing Benefit Subsidy Claim assurance report for the year ended 31 March 2022 to the Audit Committee.

#### **2. Recommendation**

- 2.1 The Audit Committee accepts the results of the Housing Benefit Subsidy Claim assurance work for the year ended 31 March 2022**

#### **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, 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 Grant Thornton 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 (the Council processes almost £55 million of Housing Benefit payments and Rent Rebates per year) it is inevitable that errors will be made. 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 at Appendix 1. However the error rates at Southend identified by the assurance procedures are low, and the DWP's arrangements recognise this through the inclusion of 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 will be no impact on the amount of subsidy received by the Council.
- 4.3 Following submission of Grant Thornton's report in January 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 2021/22 and confirmation from the DWP is expected in July.
- 4.4 A copy of Grant Thornton's report to the DWP is attached at Appendix 1 for the Committee's information.

## **5. Corporate Implications**

### **5.1 Contribution to the Corporate Plan and Southend 2050 Road Map**

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

### **5.2 Financial Implications**

Grant Thornton were appointed by the Council to undertake the DWP's assurance procedures following a competitive process.

The Council receives significant funding from external funders, and giving them the assurance they require that their funds have been used in accordance with their expectations gives confidence in the Council's use of their funding provided, and to be provided in the future.

### **5.3 Legal Implications**

The Council is required to provide independent assurance from a reporting accountant to the DWP 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.

### **5.4 People Implications**

None.

### **5.5 Property Implications**

None.

### **5.6 Consultation**

None.

### **5.7 Equalities and Diversity Implications**

None.

## 5.8 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.

## 5.9 Value for Money

None.

## 5.10 Community Safety Implications

None.

## 5.11 Environmental Impact

None.

## 6. Background Papers

- National Audit Offices' Code of Audit Practice 2020
- DWP Housing Benefit (Subsidy) Assurance Process 2021/22

## 7. Appendices:

- Appendix 1: Grant Thornton's Housing Benefit Subsidy Claim assurance report for the Year ended 31 March 2022