

Members of the Audit Committee
London Borough of Havering
Town Hall
Main Road
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24th January 2018

Ref: DH / LBH / 2016-17 Certification
Report

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Dear Members

Certification of claims and returns annual report 2016/17 London Borough of Havering

We are pleased to report on our 2016/17 certification work. This letter summarises the results of our work on London Borough of Havering housing benefit subsidy claim.

Scope of work

Local authorities claim large sums of public money in grants and subsidies from central government and other grant-paying bodies and must complete returns providing financial information to government departments. In some cases these grant-paying bodies and government departments require appropriately qualified auditors to certify the claims and returns submitted to them.

From 1 April 2015, the duty to make arrangements for the certification of relevant claims and returns and to prescribe scales of fees for this work was delegated to the Public Sector Audit Appointments Ltd. (PSAA) by the Secretary of State for Communities and Local Government.

For 2016/17, the PSAA arrangements required only the certification of the Council's housing benefit subsidy claim. In certifying this claim we followed the methodology determined by the Department for Work and Pensions and did not undertake an audit of the claim.

Summary

We checked and certified the housing benefits subsidy claim which had a total value of £95.8 million. No amendments were required to the claim, nor did we identify any issues that required reporting to the Department for Work and Pensions (DWP). We submitted the certified claim to DWP on 30th November 2017.

Fees

The PSAA determine a scale fee each year for the audit of claims and returns. For 2016/17, these scale fees were published by the PSAA in March 2016 and are available on the PSAA's website (www.psa.co.uk). Details of the fees for 2015/16 and 2016/17 are set out on the following page.

	2016/17	2016/17	2015/16
	Actual fee	Indicative fee	Actual fee
Housing benefits subsidy claim	£16,178	£16,178	£15,080

2017/18

From 1 April 2015, the duty to make arrangements for the certification of relevant claims and returns and to prescribe scales of fees for this work was delegated to (PSAA) by the Secretary of State for Communities and Local Government.

The Council's indicative certification fee for 2017/18 is £15,080. This was set by PSAA and is based on final 2015/16 certification fees.

Details of individual indicative fees are available on PSAA's website, by using the following web address: <https://www.psa.co.uk/audit-fees/201718-work-programme-and-scales-of-fees/individual-indicative-certification-fees/>

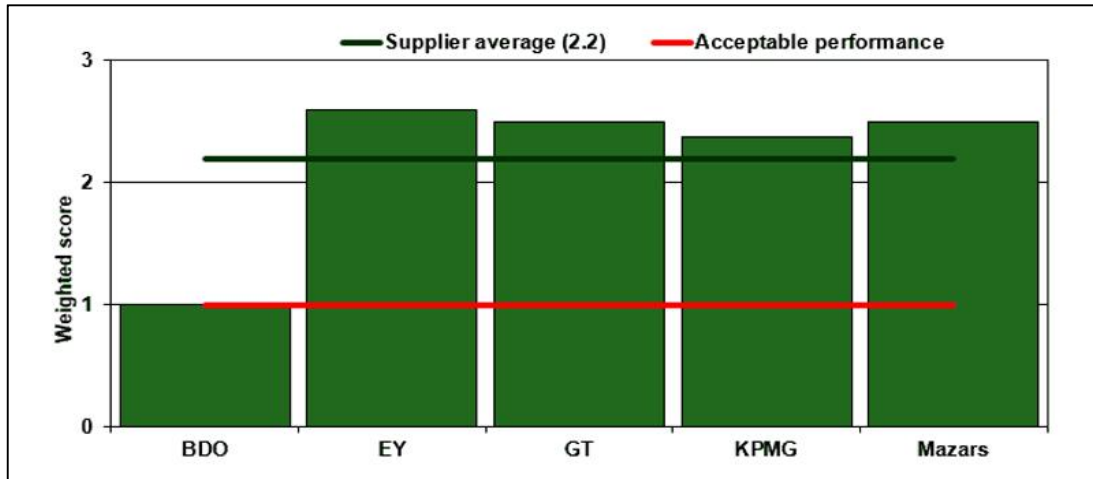
We must seek the agreement of PSAA to any proposed variations to these indicative certification fees. We will inform the Council's Chief Financial Officer before seeking any such variation.

2018/19

From 2018/19, the Council will be responsible for appointing their own reporting accountant to undertake the certification of the housing benefit subsidy claim in accordance with the Housing Benefit Assurance Process (HBAP) requirements that are being established by the DWP. DWP's HBAP guidance is under consultation and is expected to be published in early 2018.

We would be pleased to undertake this work for you, and can provide a competitive quotation for this work.

We currently provide HB subsidy certification to 106 clients, through our specialist Government & Public Sector team. We provide a quality service, and are proud that in the PSAA's latest Annual Regulatory and Compliance Report (July 2017) we score the highest of all providers, with an average score of 2.6 (out of 3).



We were appointed as your statutory auditor by PSAA in December 2017, and can therefore provide a comprehensive assurance service, delivering efficiencies for you and building on the knowledge and relationship we have established with your housing benefits service.

We welcome the opportunity to discuss the contents of this report with you at the Audit Committee meeting due to be held on 28th February.

Yours faithfully

Debbie Hanson
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Ernst & Young LLP