

Certification of claims and returns annual report 2019-20

May 2021

The EY logo consists of the letters 'EY' in a bold, white, sans-serif font. A yellow triangle is positioned above the 'Y', pointing downwards towards the letters.

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Public Sector Audit Appointments Ltd (PSAA) have issued the "Statement of responsibilities of auditors and audited bodies". It is available from the via the PSAA website (www.PSAA.co.uk). The Statement of responsibilities serves as the formal terms of engagement between appointed auditors and audited bodies. It summarises where the different responsibilities of auditors and audited bodies begin and end, and what is to be expected of the audited body in certain areas. The "Terms of Appointment (updated April 2018)" issued by the PSAA sets out additional requirements that auditors must comply with, over and above those set out in the National Audit Office Code of Audit Practice (the Code) and in legislation, and covers matters of practice and procedure which are of a recurring nature. This report is made solely to the Audit Committee and management of Sefton Metropolitan Borough Council in accordance with the statement of responsibilities. Our work has been undertaken so that we might state to the Audit Committee, and management of Sefton Metropolitan Borough Council those matters we are required to state to them in this report and for no other purpose. To the fullest extent permitted by law we do not accept or assume responsibility to anyone other than the Audit Committee, and management of Sefton Metropolitan Borough Council for this report or for the opinions we have formed. It should not be provided to any third-party without our prior written consent.



01

Housing benefits subsidy claim



Housing benefits subsidy claim

Scope of work	Results
Value of claim presented for certification	£72,861,299
Amended/Not amended	Not amended
Qualification letter	Yes
Fee - 2019-20	£11,500
Fee - 2018-19	£11,500

Findings in relation to 2019-20

We issued a qualification letter reporting that the initial testing identified one error relating to cell 12 of the claim form. No adjustments were made to the claim form for this matter. As the case has been corrected in the HB system, Northgate, for 2020/21 and there is no impact on expenditure made or claimed, no amendment has been made. There are 4 other cases in cell 12. This issue has not re-occurred.

In line with the guidance, we completed “40+” testing for areas in which errors had been identified in the prior year qualification letter.

This resulted in no errors in the sub population sample tested, and we therefore did not include any extrapolations for the DWP to consider in relation to this matter. We therefore reported to DWP that we consider this matter to be resolved.

We also reported a factual finding that the software supplier (Northgate) provides software to support the reconciliation of benefit paid to benefit granted. Benefit granted in the claim form and benefit granted in the reconciliation differ by small amounts and the authority use a balancing figure of £21,284 to balance to the lower of the figures.

We had no other findings to report.



02

Other assurance work





Other assurance work

In relation to the 2019-20 financial year, we also acted as reporting accountants in relation to the following schemes:

- ▶ Teachers Pensions End of Year Certificate (EOYC) reporting accountant certification.

We have provided a separate report to the Council and to Teachers Pensions Authority in relation to this return. This work has been undertaken outside the PSAA regime. The fees for this work are included in the figures in Section 3. It is referred to here to ensure Members have a full understanding of the various returns on which we provide assurance.

For Teachers Pensions we completed the required testing, the “agreed upon procedures” as set out by the funding body in the engagement letter.

We reported that one exception was identified. We identified that due to processing of maternity refunds, £65.47 had been refunded twice in error, and therefore resulted in a £65.57 deficit in employee contributions. Due to the nature of the exception and the fact that correction has been made in 2020/21, no adjustment was made to the EOYC.

No other errors or exceptions were identified and we did not identify any significant issues from this work that need to be brought to the attention of Members.



03

2019-20 certification fees





2019-20 certification fees

The PSAA determined a scale fee each year for the certification of the housing benefits subsidy claim up to 2017-18. This arrangement ended with the certification of the 2017-18 certification. The Department for Work and Pensions (DWP) set new requirements from 2018-19 onwards with indicative fees based on the previous certified claim. The indicative fee for 2019-20 was set based on the prior year certification findings.

Claim or return	2019-20	2019-20	2018-19
	Actual fee £	Indicative fee £	Actual fee £
Housing benefits subsidy claim	11,500	11,500	11,500
Teachers pensions grant claim	6,500	6,500	6,500
TOTAL certification fees	18,000	18,000	18,000