



KPMG LLP
Public Sector Audit
1 St Peter's Square
Manchester
M2 3AE
United Kingdom

Tel +44 (0) 161 246 4000
Fax +44 (0) 161 246 4040

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Clare James
Head of Finance
Civic Centre
Breck Rd
Poulton-le-Fylde
FY6 7PU

Contact Harriet Fisher
+44 7827 305274

10 December 2018

Dear Ms James

**Wyre Borough Council - Certification of claims and returns - annual report
2017/18**

Public Sector Audit Appointments requires its external auditors to prepare an annual report on the claims and returns certified for each audited body. This letter is our annual report for the certification work we have undertaken for 2017/18.

In 2017/18 we carried out certification work on only one claim or return, the Housing Benefit Subsidy claim. The certified value of the claim was £29.193 million, and we completed our work and certified the claim on 30 November 2018.

Matters arising

Our certification work on Housing Subsidy Benefit claim included:

- agreeing standard rates, such as for allowances and benefit incomes, to the DWP Circular communicating the value of 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;
- undertaking an analytical review of the claim form considering year-on-year variances and key ratios;
- confirming that the subsidy claim had been prepared using the correct benefits system version; and
- completing testing in relation to modified schemes payments, uncashed cheques and verifying the accurate completion of the claim form.



Our work identified one issue, however this related to an outstanding issue rather than an error or a change to the claim.

We issued a qualification letter relating to the 2016/17 subsidy claim as a result of issues identified in relation to the assessment of claimant state pension income. As the Authority was unable to drill-down to a population that only contained claimants in receipt of state pension income, we extrapolated our findings over headline cell 094. This led to the DWP advising the Authority on 18 October 2018 that they would be deducting the extrapolated 2016/17 error from their subsidy.

The Authority has subsequently worked with its software provider and has developed a report which allows it to drill-down to a population which only contains claimants in receipt of state pension income. We have had ongoing correspondence with the DWP and PSAA as to the impact of the Authority being able to produce this population and its impact on our CAKE testing for the 2017/18 claim as well as being able to re-perform the testing of cases and extrapolation over a more accurate sub-population for the 2016/17 claim. In correspondence from the PSAA dated 23 November 2018, it was confirmed that this issue should be noted as an outstanding matter in our qualification letter for 2017/18 and this matter would be picked up as an amendment to the 2018/19 claim under the new HBAP regime.

We did not identify any other issues or errors and we certified the claim as qualified but without amendment.

We have made no recommendations to the Authority to improve its claims completion process. There were no recommendations made last year and there are no further matters to report to you regarding our certification work.

In our 2016/17 Certification Annual Report we raised no recommendations.

Certification work fees

Public Sector Audit Appointments set an indicative fee for our certification work in 2017/18 of £5,676. Our actual fee was the same as the indicative fee, and this compares to the 2016/17 fee for this claim of £6,703.

Yours sincerely

Amanda Latham



This report is addressed to the Council and has been prepared for the sole use of the Council. We take no responsibility to any member of staff acting in their individual capacities, or to third parties. We draw your attention to the Statement of Responsibilities of auditors and audited bodies, which is available on Public Sector Audit Appointment's website (www.psa.co.uk).

External auditors do not act as a substitute for the audited body's own responsibility for putting in place proper arrangements to ensure that public business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively.

We are committed to providing you with a high quality service. If you have any concerns or are dissatisfied with any part of KPMG's work, in the first instance you should contact Amanda Latham, the engagement lead to the Authority, who will try to resolve your complaint. If you are dissatisfied with your response please contact the national lead partner for all of KPMG's work under our contract with Public Sector Audit Appointments Limited, Andrew Sayers, by email to andrew.sayers@kpmg.co.uk. After this, if you are still dissatisfied with how your complaint has been handled you can access PSAA's complaints procedure by emailing generalenquiries@psaa.co.uk, by telephoning 020 7072 7445 or by writing to Public Sector Audit Appointments Limited, 3rd Floor, Local Government House, Smith Square, London, SW1P 3HZ.