

TONBRIDGE & MALLING BOROUGH COUNCIL

AUDIT COMMITTEE

25 June 2007

Report of the Director of Finance

Part 1- Public

Matters for Information

1 HOUSING BENEFITS SUBSIDY AUDIT 2005/06

A report informing regarding the outcome of the Audit Commission's audit of the Council's benefits subsidy claim for the year 2005/06. Auditor's report 'TO FOLLOW'.

1.1 Introduction

1.1.1 The Council's benefit subsidy claim is prepared during the early months of each financial year. The claim is then subject to audit by The Audit Commission, prior to its submission to The Department for Work and Pensions (DWP) by the end of December each year. Following the audit by The Audit Commission, the auditor passes a copy of his report to the Council.

1.1.2 The audit of the subsidy claim for 2005/06 was carried out in the late summer / autumn of 2006. The audit report of the claim has still not recently been received at the time of writing this report, **but is expected within the next few days. The report will be circulated to Members as soon as it is received.** I am not expecting any significant issues to be raised.

1.2 Legal Implications

1.2.1 None.

1.3 Financial and Value for Money Considerations

1.3.1 Expenditure on council tax benefit and housing benefit accounts for a very significant part of the Council's gross expenditure. It is therefore of the utmost importance that the correct amount of subsidy is claimed and that the claim is made in a timely manner.

1.4 Risk Assessment

- 1.4.1 Should the Audit Commission's recommendations (if any) not be implemented, there is a risk that future subsidy claims submitted by the Council will not be certified by the Audit Commission or that the Audit Commission will qualify the subsidy claim. Should this happen, the Department for Work and Pensions, which pays the subsidy to the Council, will withhold further payments of subsidy. Such withholding of subsidy could have significant impact on the Council's cash-flow.

Background papers:
Nil

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