

# TONBRIDGE & MALLING BOROUGH COUNCIL

## AUDIT COMMITTEE

13 April 2010

### Report of the Director of Finance

#### Part 1- Public

#### Matters for Information

#### **1 CERTIFICATION OF CLAIMS AND RETURNS – ANNUAL REPORT**

**A report summarising the findings from the certification by the Audit Commission of the 2008/09 housing benefit and council tax benefit subsidy claim, the disabled facilities grant and the non domestic rates return. The Audit Commission's report is attached as [Annex 1].**

#### **1.1 The Housing Benefit and Council Tax Benefit Subsidy Claim**

- 1.1.1 For the year 2008/09, the Council's gross expenditure for Housing and Council Tax Benefit totalled £29.4 million. By way of comparison, this level of expenditure represents around 47% of gross expenditure of the Council as a whole and has increased by 11% on 2007/08.
- 1.1.2 There are approximately, in excess of, 100,000 complex financial transactions that are involved in the payment processes during the year. Most of these are generated by the Northgate benefits processing software with user input.
- 1.1.3 The majority of this expenditure is met by monthly instalments paid to the Council by the Department for Work and Pensions (DWP), based on initial and mid year estimates provided by the Council.
- 1.1.4 A final claim is submitted to the DWP at the end of the financial year, including a balancing sum. This sum is the difference between the amount the Council has received through the year based on estimates and the subsidy due based on actual expenditure. The balance owed to the Council in 2008/09 was £797,186.
- 1.1.5 The claim is subject to an audit by the end of the following November, carried out by an auditor appointed by the DWP, in our case from the Audit Commission. Any significant weaknesses or errors identified during the inspection are raised to the DWP in a letter from the auditor and the balancing sum is adjusted to take account of any financial alterations that may be required. The term 'qualification' is used for any issues reported in the letter.

1.1.6 I am pleased to report that on this occasion the audit resulted in no qualifications of the claim. Some errors were discovered that required further testing. The outcome of this demonstrated that the errors were of a minor nature and did not necessitate financial adjustments to the claim.

## **1.2 The Disabled Facilities Grant Claim**

1.2.1 The disabled facilities grant is funded by the Council to provide adaptations to the homes of people with a disability to allow better freedom of movement into and within the home, and access to essential facilities within it. The maximum funding is £30,000 and homeowners or tenants with a disabled person in the household are eligible for the disabled facilities grant.

1.2.2 In 2008/09 the Council helped 147 households by funding disabled facilities grants. The total value of the grants paid was £720,011.

1.2.3 The 2008/09 grant claim saw a significant change in funding. Previously the Council was required to fund 40 per cent of the total grant funding and Government the remaining 60 per cent. From 2008-09 this requirement for the Council to fund 40 per cent has been removed but is still expected to prioritise their own funding for disabled facilities grants. In 2008/09 the CLG contributed £415,000 towards the cost of the scheme.

1.2.4 I am pleased to report the audit concluded that the implementation of the new funding regime was satisfactory, the control environment could be relied upon and no amendments were made to the claim.

## **1.3 National Non-Domestic Rates Return**

1.3.1 The Council has a duty to collect non-domestic (business) rates on behalf of the CLG.

1.3.2 The rates are levied on almost all business premises, occupied or empty.

1.3.3 In 2008/09 the Council collected 99.1% of the collectable non-domestic rates. This was a total sum of £44,042,694 from 3,298 businesses in the Borough.

1.3.4 I am pleased to report that the audit concluded the 2008/09 return was consistent with the Council's underlying records and was certified without amendment.

## **1.4 Legal Implications**

1.4.1 These are mandatory services administered at a level compliant within the legislation and satisfying these inspections.

## **1.5 Financial and Value for Money Considerations**

1.5.1 Audit costs for this inspection increased in comparison to 2007/08 due to the requirement for some further testing involved in the housing benefit and council tax benefit subsidy audit.

## **1.6 Risk Assessment**

1.6.1 The report concludes there are satisfactory controls in place but does make two recommendations to strengthen areas in the administration of housing benefit and council tax benefit.

Background papers:

contact: Andrew Rosevear

Certification of claims and returns – annual report  
Attached at Annex 1

Sharon Shelton  
Director of Finance