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**Private & confidential**

Housing Benefit Subsidy Team  
Housing Delivery Division  
DWP Business Finance & Housing Delivery  
Directorate  
Room B120D  
Warbreck House  
Blackpool  
Lancashire  
FY2 0UZ

Your ref

Our ref CDC/HB/2018/19

Contact Andrew Cardoza  
0121 232 3869

Section 151 Officer  
For the attention of Jenny Pool  
Cotswold District Council  
Trinity Road  
Gloucester  
GL7 1PX

22 November 2019

Dear Jenny

**Reporting accountant's report for the Housing Benefit Subsidy claim form  
MPF720A for the year ended 31 March 2019**

This report is produced in accordance with the terms of our engagement letter with Cotswold District Council dated 26 June 2018 and the standardised engagement terms in Appendix 2 of Housing Benefit (Subsidy) Assurance Process ("HBAP") Module 1 2018/19 issued by the Department for Work and Pensions ("DWP") for the purpose of reporting to the Section 151 Officer of Cotswold District Council ("the Local Authority") and the DWP.

Our report is prepared solely for the confidential use of the Local Authority and the DWP and solely for the purpose of facilitating the claim for Housing Benefit Subsidy on form MPF720A dated 30 April 2019.

This report should not be copied, referred to or disclosed, in whole (save as otherwise permitted by the standardised engagement terms) or in part, without our prior written consent. Without assuming or accepting any responsibility or liability in respect of this report to any party other than the Local Authority and the DWP, we acknowledge that

the Local Authority and/or the DWP may be required to disclose this report to parties demonstrating a statutory right to see it.

This report is designed to meet the agreed requirements of the Local Authority and the DWP as described in the DWP HBAP reporting framework instruction 2018/19.

This report should not therefore be regarded as suitable to be used or relied on by any other party for any purpose or in any context. Any party other than the Local Authority and the DWP which obtains access to this report or a copy and chooses to rely on this report (or any part of it) will do so entirely at its own risk. To the fullest extent permitted by law, we accept no responsibility or liability in respect of our work or this report to any other party and shall not be liable for any loss, damage or expense of whatsoever nature which is caused by the reliance of anyone other than the addressees on our work or this report.

### **Respective responsibilities of the Local Authority and the reporting accountant**

We conducted our engagement in accordance with HBAP Modules 1 and 6 2018/19 issued by the DWP, which highlight the terms under which DWP has agreed to engage with reporting accountants.

As Section 151 Officer of the Local Authority, you have responsibilities under the Income-related Benefits (Subsidy to Authorities) Order 1998. You are also responsible for ensuring that the Local Authority maintains accounting records which disclose with reasonable accuracy, at any time, the financial position of the Local Authority. It is also the Section 151 Officer's responsibility to extract relevant financial information from the Local Authority's accounting records, obtain relevant information held by any officer of the Local Authority and complete the attached form MPF720A in accordance with the relevant framework set out by the DWP.

### **Our approach**

For the purpose of the HBAP engagement we have been provided with a signed copy of form MPF720A 2018/19 dated 30 April 2019 by the Section 151 Officer. The Section 151 Officer remains solely responsible for the completion of the MPF720A and is the signatory on the Local Authority's certificate on claim form MPF720A.

Our engagement was carried out in accordance with the DWP reporting framework instruction and in accordance with the International Standard on Related Services (ISRS) 4400, *Engagements to perform agreed-upon procedures regarding financial information*. The purpose of the engagement is to perform the specific test requirements determined by the DWP on the defined sample basis as set out in HBAP Modules of the HBAP reporting framework instruction on the Local Authority's form

MPF720A dated 30 April 2019, and to report the results of those procedures to the Local Authority and the DWP.

The results of these are reported in Appendices A, B, C and D.

The procedures specified in DWP's HBAP reporting framework instruction do not constitute an examination made in accordance with generally accepted auditing standards, the objective of which would be the expression of assurance on the contents of the Local Authority's claim for Housing Benefit Subsidy on form MPF720A. Accordingly, we do not express such assurance. Had we performed additional procedures or had we performed an audit or review of the Local Authority's claim for Housing Benefit Subsidy on form MPF720A in accordance with generally accepted auditing or review standards, other matters might have come to our attention that would have been reported to you. This report relates only to the Local Authority's form MPF720A and does not extend to any financial statements of the Local Authority, taken as a whole.

### **Summary of HBAP report**

#### **Exceptions/errors found**

As a result of our testing we identified 1 underpayment in relation to household assessment. We identified a further error in assessment of income in calculation of modified scheme payments. These errors are detailed in Appendix A.

#### **Observations**

There were no observations identified requiring reporting in Appendix B.

#### **Amendments D**

There were no amendments identified requiring reporting in Appendix C.

#### **Other Matters**

There were no other matters identified requiring reporting in Appendix D.

#### **Summary of CAKE testing**

In line with the requirements of HBAP Modules we have undertaken CAKE testing based upon the preceding Qualification Letter. No sub-populations were identified which required CAKE testing in 2018/19.



For the form MPF720A dated 30 April 2019 for the year ended 31 March 2019 we have completed the specific test requirements detailed in the DWP reporting framework instruction HBAP and have identified the results set out in Appendices A, B, C and D.

Yours faithfully

KPMG LLP  
*Chartered Accountants*

Name for enquiries: Andrew Cardoza

*Attachments:*

Appendix A	Exceptions/errors found
Appendix B	Observations
Appendix C	Amendments
Appendix D	Other Matters

## Appendix A – Exceptions/errors found

### Cell 94: Rent Allowance – Assessment of Household - Total expenditure (Benefit Granted)

Cell Total £15,978,921

Cell Population 3740

Headline Cell £15,978,921

Testing of a random initial sample of 20 cases identified 1 case (total case value £1268.76) where benefit has been underpaid as a result of the Authority had incorrectly calculated household size.

Given the nature of the population, an additional sample of 40 cases from Cell 94 were selected for testing to confirm that the household recorded on Northgate was correct.

Testing of an additional 40 cases identified no further errors.

As there is no eligibility to subsidy for benefit which has not been paid, the underpayment that has been identified do not affect subsidy and has not, therefore, been classified as an error for subsidy purposes.

### Cell 214: Modified Schemes – PCAIF - Total expenditure (Benefit Granted)

Cell Total £16,068

Cell Population 12

Headline Cell £16,068

Testing of a random initial sample of 2 cases identified 1 case (total case value £38.22) where benefit has been underpaid as a result of the Authority using the incorrect Pension Credit Assessed Income Figure (PCAIF) when assessing income.

Given the nature of the population, the remaining population of Cell 214 was tested.

Testing of an additional 10 cases identified one further error where benefit was misclassified between Cell 102 and Cell 214. As Cell 214 was overstated, and 102 understated no amendment is proposed.

As there is no eligibility to subsidy for benefit which has not been paid, the underpayment that has been identified does not affect subsidy and has not, therefore, been classified as an error for subsidy purposes.

## Appendix B – Observations

No observations to report.



**Appendix C – Amendments**

No amendments to report.

**Appendix D – Other Matters**

No observations to report.