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Dear Mike

Certification work for Warwick District Council for year ended 31 March 2016

We are required to certify the Housing Benefit subsidy claim submitted by Warwick District Council (the Council). This certification typically takes place six to nine months after the claim period and represents a final but important part of the process to confirm the Council's entitlement to funding.

The Local Audit and Accountability Act 2014 gave the Secretary of State power to transfer Audit Commission responsibilities to other bodies. Public Sector Audit Appointments (PSAA) have taken on the transitional responsibilities for HB COUNT issued by the Audit Commission in February 2015

We have certified the Housing Benefit subsidy claim for the financial year 2015/16 relating to expenditure of £30.7 million. Further details of the claims certified are set out in Appendix A.

We highlighted to members in the Audit Findings Report that while we had found no material errors within welfare expenditure, the completion of the discovery sample on the expenditure had identified errors which would require further testing. This work has now been completed, resulting in a qualification to the claim, which is a change from the previous year.

In addition, the qualification letter submitted included one area where extended testing had not been completed. The reason for this was that the Housing Benefit and Fraud Manager for the Council had challenged the approach with the DWP and they agreed for no extended testing to be undertaken prior to the claim certification deadline. It is however possible that once the DWP have evaluated the results of the initial testing and the case put forward by the Council, the DWP may request further work in this area.

Overall, we are satisfied that the Council has appropriate arrangements to compile complete, accurate and timely claims/returns for audit certification.

Chartered Accountants

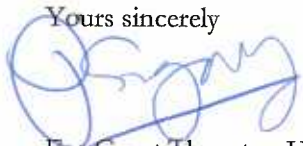
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The indicative fee for 2015/16 for the Council is based on the final 2013/14 certification fees, reflecting the amount of work required by the auditor to certify the Housing Benefit subsidy claim that year. The indicative scale fee set by the Audit Commission for the Council for 2015/16 is £9,540. This is set out in more detail in Appendix B.

Yours sincerely

A handwritten signature in blue ink, appearing to be 'S. J. [unclear]', written over a horizontal line.

For Grant Thornton UK LLP

Appendix A - Details of claims and returns certified for 2015/16

Claim or return	Value (£)	Amended?	Amendment (£)	Qualified?	Comments
Housing benefits subsidy claim	30,744,757	Yes	597	Yes	<p>As in prior years errors were identified in the way that non HRA expenditure had been split between the cells. Given the nature of the population it was possible to complete testing to quantify the error and a cell amendment was made.</p> <p>The qualification letter highlighted 3 specific areas;</p> <ul style="list-style-type: none"> • Testing of 20 cases identified 1 case for rent allowance where the audit team were unable to locate the evidence for a proof of rent. The Council argued that it had received this at the time, and a diary note confirms this, however the nature of the system the Council uses does not require each piece of information to be stored within the HB system, instead relying on a national database. This is the point challenged with the DWP, and the Council currently awaits a decision. • Testing of rent allowances identified an overpayment that was classified as eligible when it should have been LA error and administrative delay. Additional testing was undertaken in this area as required, however no impact on overall subsidy was identified. • Testing of rent rebates identified 2 cases where the Council had incorrectly calculated claimants earnings. Additional testing was undertaken in this area as required, however no impact on overall subsidy was identified. <p>In addition to the qualifications above we also made an observation in relation to the evidence available to support child tax credits and working tax credits. In a similar issue to that highlighted for proof of rent we were unable to locate source evidence, and as such we have highlighted this within our qualification letter. However in these instances there was no impact on subsidy of being unable to locate these source documents.</p>

Appendix B: Fees for 2015/16 certification work

Claim or return	2013/14 fee (£)	2015/16 indicative fee (£)	2015/16 actual fee (£)	Variance (£)	Explanation for variances
Housing benefits subsidy claim (BEN01)	12,717	9,540	9,540	0	Based on the comparable scope of work for 2013/14 and 2015/16 no fee variation is considered appropriate at this time.
Total	12,717	9,540	9,540	0	

