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Dear Mike

**Certification work for Warwick District Council for year ended 31 March 2017**

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) took 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 2016/17 relating to subsidy claimed of £29,041,721. We identified a number of issues from our certification work and, as a result of the errors identified, the claim was amended and qualified, and we reported our findings to the DWP in our Qualification Letter dated 29 November 2017.

Further details of the matters we reported upon are set out in Appendix A. Those which we particularly wish to highlight for your attention are that there:

- were three errors from the extended testing that we carried out on this year's subsidy return which recurred from 2015/16, and
- three areas where new errors were identified as a result of the testing undertaken.

As required by the DWP, additional testing was performed in respect of the errors.

The DWP has already written to the Council in respect of the qualifications and asked the Council to consider undertaking further work on the rent allowance software reconciliation, where a difference of £3,688 was identified. Based on the trivial value involved officers intend to inform the DWP that no further work will be undertaken.

The indicative fee for 2016/17 for the Council was based on the final 2014/15 certification fees, reflecting the amount of work required to certify the Housing Benefit subsidy claim that year. The indicative scale fee set by PSAA for the Council for 2016/17 was £6,398. Due to the additional work required to address the issues we identified, we have discussed with officers an additional fee of £2,257, which is subject to confirmation from PSAA. This is set out in more detail in Appendix B.

Yours sincerely

**Grant Thornton UK LLP**

**Appendix A - Details of claims and returns certified for 2016/17**

Claim or return	Value	Amended?	Amendment value	Qualified?	Comments
Housing benefits subsidy claim	£29,041,721	Yes	£348	Yes	See below

**Findings from certification of housing benefits subsidy claim**

There were three errors that had also been identified in prior years, these were as follows;

- Four errors were identified in the way non HRA expenditure had been split across the cells. Due to the complexity of these claims, the authority had already made the decision to test 100% of these claims which resulted in a cell amendment being made.
- Testing of rent allowances identified an overpayment that was classified as eligible when it should have been LA error. Additional testing was undertaken in this area, however no impact on overall subsidy was identified. This was included within the Qualification Letter as required.
- Testing of rent rebates identified 1 case where the Council had incorrectly calculated a claimant's earnings and benefit was overpaid. In addition, 2 cases were also identified where information was input incorrectly into the benefit system from the payslip provided by the claimant. For these cases it was identified that the errors had no impact on the subsidy for one case, but for the other case benefit had been underpaid. This was included within the Qualification Letter as required.

Testing also identified three errors that had not been present in prior years, these were as follows;

- Our testing of rent allowances identified 1 case where the claimant had changed parish on 1 April 2017 as a result of the boundary changes. The system had picked this up as a change of address, and as a result created an overpayment when there should have been no change in benefits. Due to the nature of the error, appropriate testing was undertaken in this area to quantify the error and make the necessary adjustment to the claim.
- Our testing of rent allowances identified one case where the case had been correctly referred to the rent officer to assess the rent, however when the assessment was returned the case had not been updated on the system and therefore the rent had been incorrectly assessed. Due to the nature of the error, appropriate testing was undertaken in this area to quantify the error and make the necessary adjustment to the claim.
- Testing of rent allowances identified 1 case where earners hours had been incorrectly input into the system. This had no impact on subsidy, but was reported to the DWP as an observation as required.