



Grant Thornton

An instinct for growth™

Jayne Pickering
Executive Director
Bromsgrove District Council
Parkside
Market Street
Bromsgrove
Worcestershire
B61 8DA

Grant Thornton UK LLP

The Colmore Building
20 Colmore Circus
Birmingham
B4 6AT

T +44 (0)121 212 4000
F +44 (0)121 212 4014

7 January 2019

Dear Jayne

Certification work for Bromsgrove District Council for year ended 31 March 2018

We are required to certify the Housing Benefit subsidy claim submitted by Bromsgrove 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 2017/18 relating to subsidy claimed of £16 million. Further details are set out in Appendix A.

We identified a number of issues from our certification work which we wish to highlight for your attention.

There were two lots of additional testing arising from errors found in the previous year. One related to the incorrect input of earnings. Our testing of an additional 40 cases identified eight errors in addition to one error in our initial sample of 20 cases. The other element of additional testing related to classification of overpayments of housing benefit. Our testing of 40 cases did not identify any errors.

The extrapolated financial impact on the claim, which we have reported to the DWP, was relatively insignificant to the total subsidy receivable.

As a result of the errors identified, the claim was amended and qualified, and we reported our findings to the DWP. The DWP may require the Council to undertake further work or provide assurances on the errors we have identified.

The indicative fee for 2017/18 for the Council was based on the final 2015/16 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 PSAA for the Council for 2017/18 was £8,260. We are not proposing to vary the fee from this.

Yours sincerely

Grant Thornton UK LLP

Appendix A - Details of claims and returns certified for 2017/18

Claim or return	Value	Amended?	Amendment value	Qualified?	Comments
Housing benefits subsidy claim	£ 16,016,562	Yes	£0	Yes	The amendment did not affect the amount of benefit paid or subsidy claimed.

Findings from certification of housing benefits subsidy claim

Workbook completion

PSAA provides workbooks to all audit suppliers to complete in order to ensure consistency and high quality in documentation. Many councils now complete these workbooks using Quality Assessment Officers or Supervisors who have not initially been involved in assessing claims. Auditors then re-perform some of the work which officers have completed. This reduces the cost of the work compared to auditors doing it all, and also gives officers better information on any training needs or quality issues regarding the initial claim assessments.

Last year we reported “we found errors in the completion in the workbook, which led us to increase our re-performance level, eventually to 100%. In total we identified nine cases which officers had assessed as “Pass” when completing the workbooks, but which we assessed as “Fail”. We have provided further support and guidance to officers with the aim of further enhancing the quality of workbook completion next year.”

We are pleased to report that, this year, we agreed with all of the judgements and conclusions made by officers, and did not need to extend our testing.

Incorrect input of earnings

Last year we reported “Testing of an additional random sample of 40 cases identified a further 12 cases where the earnings were either not evidenced or were input onto the system incorrectly”. This year our additional sample of 40 cases identified eight cases which were incorrectly entered, plus one in our original sample of 20 cases. This should remain an area of focus for continued improvement in data entry.

Amount of testing and errors found

The table below shows the number of cases tested and the number of errors found in recent years.

Year	Cases tested	Errors found	% error rate
2014-15	180	11	6
2015-16	160	12	8
2016-17	209	16	8
2017-18	100	9	9

The errors found this year relate solely to the incorrect input of earnings.

Appendix B: Fees for 2017/18 certification work

Claim or return	2015/16 fee (£)	2017/18 indicative fee (£)	2017/18 actual fee (£)	Variance (£)	Explanation for variances
Housing benefits subsidy claim (BEN01)	£8,760	£8,260	£8,260	£0	N/A
Total	£8,760	£8,260	£8,260	£0	