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Dear Chris

Certification work for Bromsgrove District Council for year ended 31 March 2020

We have been appointed by the Council 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. Because of the ongoing impact of Covid-19, for 2019/20 the Department for Work and Pensions (DWP) extended the deadline for completion of this work to 31 January 2021. We certified our work, sending the required documentation to DWP, on 28 January 2021.

We have certified the Housing Benefit subsidy claim for the financial year 2019/20 relating to subsidy claimed of £12.6 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 six lots of additional testing arising from errors found in the previous year. These related to the incorrect input of earnings and rent and uplift of the State Retirement Pension. Our testing of an additional 240 cases identified 15 errors.

Our initial testing of 27 cases identified two errors. However, further work was not required as the errors were all covered in the additional testing arising from the prior year errors.

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

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.

We are not proposing to vary the fee from the £12,500 agreed.

Yours sincerely



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Appendix A

Findings from certification of housing benefits subsidy claim

Workbook completion

DWP 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.

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

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
2018-19	140	21	15
2019-20	267**	17**	6

** 40 cases and 4 errors relate to additional work requested by the DWP in relation to 2018/19.

The errors found relate to the incorrect input of earnings, incorrect input of rent, and incorrect uplift of the State Retirement Pension. There were no errors in the testing for incorrect classification of overpayments or missing Child Benefit and Child Tax Credits. Consequently, three of the six areas of additional testing are now "closed".

Other items reported to DWP

In our 2018/19 letter to the DWP errors were reported where the State Retirement Pension income uplift was incorrectly applied. The Council has run a report provided by the software supplier to fix these 2018/19 errors, posting the corrections in to the 2019/20 year. This process has been reviewed and judgemental sampling carried out. This work was completed in line with the DWP request letter to the Council dated 12th February 2020. No issues were identified from the sample tested.

A review of the payment reports showed that there was a payment for rent allowance on 2nd April 2020 for £71,918.92 included in the claim form for the year ended 31 March 2020 which also included expenditure relating to the year ended 31 March 2021. Guidance states where a payment is made for a period which bridges two financial years subsidy should be claimed in the year in which the payment is made. On this basis this £71,918.92 expenditure should not have been included in the 2019/20 form. This means that Cell 094 is overstated by £71,928.92 with the classification cells below Cell 094 being overstated by a total of £71,918.92. DWP have subsequently written to the Council asking for additional work to be conducted in this area. The Council has responded positively to the DWP request, and intends to have completed the additional work by April 2021.