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Dear James,

**Certification work for Guildford Borough Council for year ended 31 March 2018**

We are required to certify the Housing Benefit subsidy claim submitted by Guildford Borough 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 £34.5 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. Firstly, no new error types were identified in 2016/17 (only the reoccurrence of issues identified in previous years). Second, the issues identified from our work related to two of the five areas where we identified issues in the previous year. Full details of these areas and the issues identified can be seen in Appendix A.

No amendments have been made as a result of the errors identified, 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 the Council was based on the final 2014/15 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 2016/17 was £19,993, and we can confirm we are not proposing any additional fees in respect of the 2016/17 work.

Yours sincerely

*Grant Thornton UK LLP*

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

<b>Claim or return</b>	<b>Value</b>	<b>Amended?</b>	<b>Amendment value</b>	<b>Qualified?</b>	<b>Comments</b>
Housing Benefits Subsidy Claim	£34,538,814	No	N/A	Yes	See below for detailed comments on the issues identified in this year's Claim Form.

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

**Tax credits**

As in last year, we identified various errors in how payments of child or working tax credits were taken into account in calculating claimants' income and therefore their entitlement to benefit. We identified:

- 4 errors out of 40 cases in receipt of tax credits in respect of HRA rent rebates, leading to an extrapolated overpayment of £170.
- 5 errors out of 40 cases in receipt of tax credits in respect of rent allowances, leading to an extrapolated overpayment of £331.
- 1 error out of 40 cases in receipt of tax credits in respect of HRA rent rebates and 1 error out of 40 cases in receipt of tax credits in respect of rent allowances, which does not have any impact on subsidy.

**Incorrect Claimant income**

As in previous years, we identified errors in the calculation of claimants' income which affected the calculation of benefit entitlement. We identified:

- 1 error out of 40 cases in receipt of earned income in respect of HRA rent rebates, leading to an extrapolated overpayment of £704.
- 5 errors out of 40 cases in receipt of the income of self-employment in respect of rent allowances, leading to an extrapolated overpayment of £595.
- 1 errors out of 40 cases in receipt of occupational pension income, 1 errors out of 40 cases in receipt of earned income and 1 error out of 40 cases in receipt of self-employment earnings. These resulted in an underpayment of benefit which does not have any impact on subsidy.
- 3 errors out of 40 cases in receipt of self-employment earnings which have no impact on entitlements to benefit or to subsidy.

**Software issue**

Last year we reported that, in 2014/15, a software bug had been identified which caused two applicable amounts to be applied to a claim. The bug was fixed in 2015/16, and has had no impact on the 2015/16 or 2016/17 claim forms.

**Manual ATLAS uploads**

Last year we reported that, in 2013/14 and 2014/15, the Council had incorrectly processed ATLAS uploads requiring manual alignment. We did not identify any such errors in 2015/16 and so have not undertaken further specific testing on this area in 2016/17.

## Modified schemes

Last year we found that the Council had not applied a fix provided by Civica on a timely basis with the result that a number of claims were incorrectly recorded as modified schemes. Officers were able to review the whole of the population and we agreed the amendment required to the claim as a result.

We did not identify any errors relating to modified schemes this year.

## Appendix B: Fees for 2016/17 certification work

Claim or return	2014/15 fee (£)	2016/17 indicative fee (£)	2016/17 actual fee (£)	Variance (£)	Explanation for variances
Housing benefits subsidy claim (BEN01)	£26,425	£19,993	£19,993	£0	N/A – no variance to scale fee identified.