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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 2017/18 relating to subsidy claimed of £32.6 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. Firstly, no new error types were identified in 2017/18 (only the reoccurrence of issues identified in previous years). Second, the issues identified from our work related to both of the two areas where we identified issues in the previous year. Full details of these areas and the issues identified can be seen in Appendix A. While the issues identified were in the same area, the overall volume and value of errors has decreased, as well as any estimated extrapolations of these errors. However, irrespective of this reduction in errors, issues identified will require additional testing in 2018/19 to determine whether the issues have been sufficiently resolved. The extrapolated financial impact on the claim was again relatively insignificant to the total subsidy receivable and has been reported to the DWP. As a result of the errors identified, the claim was 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 £19,993, and we can confirm we are not proposing any additional fees in respect of the 2017/18 work.

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	£32,564,600	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 previous years, 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:

- 2 errors out of 40 cases in receipt of tax credits in respect of HRA rent rebates, leading to an overpayment of £18
- 1 error out of 40 cases in receipt of tax credits in respect of HRA rent rebates, leading to an underpayment of benefit which does not have any impact on subsidy
- 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 various 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 overpayment of £169
- 1 error out of 40 cases in receipt of self-employed earnings in respect of rent allowances, leading to an overpayment of £65
- 1 error out of 40 cases in receipt of self-employed earnings in respect of rent allowances, which does not have any impact on subsidy
- 1 error out of 40 cases in receipt of occupational pension income in respect of HRA rent rebates, which does not have any impact on subsidy

Recommended actions for officers

We recommend that the Council as part of its internal quality assurance process, should increase its focus or level of testing in respect of the areas where we identified errors from our testing.

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)	£19,993	£19,993	£19,993	£0	N/A – no variance to scale fee identified.