



Grant Thornton

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Dear Bob

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Certification work for Cannock Chase District Council for year ended 31 March 2016

We are required to certify the Housing Benefit subsidy claim submitted by Cannock Chase 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) have taken 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 2015/16 relating to expenditure of £26.9 million. Further details of the claims certified are set out in Appendix A.

There were issues arising from our certification work which we wish to highlight for your attention. We are satisfied that the Council has appropriate arrangements to compile complete, accurate and timely claims/returns for audit certification.

The indicative fee for 2015/16 for the Council is based on the final 2013/14 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 the Audit Commission for the Council for 2015/16 is £11,593. An additional fee of £2,500 has been proposed to PSAA for the additional work required in 2015/16. This is set out in more detail in Appendix B.

Yours sincerely

For Grant Thornton UK LLP

Chartered Accountants

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Appendix A - Details of claims and returns certified for 2015/16

Claim or return	Value (£)	Amended?	Amendment (£)	Qualified?	Comments
Housing benefits subsidy claim	26,942,159	Yes	2,451	Yes	Please see comments below.

We had to undertake additional work to ascertain whether errors found in the 2014/15 claim had been repeated in 2015/16. This involved testing 16 (100% of the population) 'Non-HRA' cases to confirm whether housing benefit had been correctly classified and calculated as well as testing 42 'Rent Allowance' cases to ensure those under 35 had the correct rental liability applied in their housing benefit calculation.

Of these additional tests, 7 errors were identified and the claim form was correctly amended to reflect these. A small number of other manual adjustments were also made to the final claim form.

As required by the Department for Work & Pensions (DWP) we undertook detailed testing on 40 other cases to identify whether the claimants were entitled to housing benefit and whether they were being paid the correct amount. Our testing identified 6 errors which included:

- incorrect private pension figures being entered
- incorrect working tax credit and child tax credit being applied
- incorrect earned income being applied
- incorrect classification of a passported claimant

As a result of these errors we tested a further 160 cases, focusing on the nature of the initial errors. A further 13 errors were identified, although only ten of these led to an overpayment of housing benefit.

In summary in 2015/16 we tested 258 cases, identifying 26 errors (10% error rate).

Appendix B: Fees for 2015/16 certification work

Claim or return	2013/14 fee (£)	2015/16 indicative fee (£)	2015/16 actual fee (£)	Variance (£)	Explanation for variances
Housing benefits subsidy claim (BEN01)	15,457	11,593	14,093	2,500	25% reduction applied to 2013/14 fees by the Audit Commission.
Total	15,457	11,593	14,093	2,500	