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Dear Malcolm

Certification work for North Somerset Council for year ended 31 March 2017

We are required to certify the Housing Benefit subsidy claim submitted by North Somerset 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 £61.777 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 and are set out below in appendix A. 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 2016/17 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 scale fee set by PSAA for the Council for 2016/17 was £14,685.

Yours sincerely

Grant Thornton UK LLP

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

Claim or return	Value	Amended?	Amendment value	Qualified?	Comments
Housing benefits subsidy claim	£61.777m	Yes	£656	Yes	See below

Findings from certification of housing benefits subsidy claim

Eligible Overpayments

We identified six cases where an overpayment was incorrectly raised. In the case of five of these, the effect of these errors is to overstate cell 114 (eligible overpayments) and understate cell 103 (LHA expenditure). In the case of one of these the effect of these errors is to understate cell 114 (eligible overpayments) and overstate cell 102 (expenditure relating to cases not requiring referral to the rent officer).

Additional Earnings Disregard

We identified one case where benefit had been overpaid as a result of the claimant being incorrectly awarded the additional earnings disregard. The effect of this error is to overstate cell 103 (LHA expenditure) with a corresponding understatement of cell 113 (LA error and administrative delay overpayments).

Water and Sewerage Deductions

Initial testing identified six cases where deductions had been made from rent for water and sewerage charges. Whilst it is correct for these deductions to be made and there is no set rate for the value to be deducted our testing has identified that the rates used have not been reviewed or updated by the Authority for a number of years (whereas similar rates for other property types have been subject to an annual review by the Authority).

RBV Policy Review

The Authority operates an RBV policy, whilst the policy has not changed during the year the policy has not been subject to an annual review.

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. We recommend the RBV policy is reviewed on an annual basis.

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)	£19,580	£14,685	£14,685	£0	