



Grant Thornton

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Dear Richard

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Certification work for North Somerset Council for year ended 31 March 2018

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 2017/18 relating to subsidy claimed of £56.3 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 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 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 £13,962. The fee is set out in more detail in Appendix B.

Yours sincerely

Grant Thornton UK LLP

Appendix A - Details of claims and returns certified for 2017/18

Claim or return	Value	Amended?	Qualified?	Comments
Housing benefits subsidy claim	£56,330,859	No	Yes	See below summary of issues identified.

Findings from certification of housing benefits subsidy claim

Cell 094 – Rent Allowance Total Expenditure

We identified the following errors within cell 094

- One case where the claim start date had been incorrectly recorded, resulting in an overpayment of benefit.
- Two cases where the pension deduction was incorrectly applied resulting in an overpayment of benefit.

Cell 103 – LHA expenditure

We identified the following error within cell 103

- One case where expenditure had been incorrectly classified as LHA resulting in an overpayment of benefit.

Cell 011 – Rent Rebates (tenants of non-HRA properties) total expenditure

We identified the following errors in cell 011;

- One case where the claim start date had been recorded incorrectly resulting in an overpayment of benefit.
- Two cases where the benefit has been underpaid as a result of the Authority using the incorrect rental liability.

Cell 214 – Modified Schemes Subsidy

We identified the following error within cell 214;

- Two cases where the benefit was underpaid due to earned income being incorrectly calculated and the pension being incorrectly uplifted.

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 actual fee (£)	2017/18 indicative fee (£)	2017/18 actual fee (£)	Variance (£)
Housing benefits subsidy claim (BEN01)	£13,962	£13,962	£13,962	£0
Total	£13,962	£13,962	£13,962	£0