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Dear Graeme,

**Certification work for Waverley Borough Council for year ended 31 March 2017**

We are required to certify the Housing Benefit subsidy claim submitted by Waverley 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 return for the financial year 2016/17 relating to subsidy claimed of £29.243 million. We identified a number of issues from our certification work, which we wish to highlight for your attention and are set out in Appendix A.

The extrapolated financial impact on the claim, which we have reported to the DWP, was £36,655 which is relatively insignificant to the total subsidy receivable, and the claim was not amended for this amount. The Council has agreed to carry out further work in three areas following our certification of the 2016/17 subsidy return. This work may result in amendments being required through the 2017/18 return. Further details are set out in Appendix A.

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 return that year. The indicative scale fee set by PSAA for the Council for 2016/17 was £16,680. This is set out in more detail in Appendix B.

Yours sincerely

*Grant Thornton UK LLP*

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

Claim or return	Value	Amended?	Amendment value	Qualified?	Comments
Housing benefits subsidy claim	£29,243,482	No	n/a	Yes	See below

Findings from certification of 2016/17 housing benefits subsidy claim:

### HRA rent rebates

- In the previous year we identified an error in relation to the calculation of the claimant's earned income within the HRA rent rebates section of the claim form. Given the nature of the population the Council was required to test 40 cases where a claimant's earned income is included within the Housing Benefit calculation for 2016/17. Testing identified no errors in the calculation of claimants' earned income. However, in our initial testing sample for 2016/17 we identified two cases where the claimants' income was incorrectly assessed. Detailed testing of this area is needed in 2017/18 to determine the impact on subsidy and to confirm if the issue has been adequately resolved.
- In our initial testing we identified that service charge uplifts for the Sheltered Housing Scheme were not applied in the correct timeframe. The Council will undertake full review of the 240 Sheltered Housing Scheme cases included in the 2016/17 subsidy claim and will report results to DWP when complete. Detailed testing of this area is needed in 2017/18 to determine whether the issue has been adequately resolved.

### Rent allowances

- We identified one case in our initial testing where the claimant's earned income was incorrectly assessed. This resulted in an underpayment to the claimant and had no impact on subsidy. The Council will undertake additional testing 940 cases in this area and will report results to DWP when complete. Detailed testing of this area is needed in 2017/18 to determine whether the issue has been adequately resolved.
- We identified two cases in our initial testing where the claimants' self-employed income was incorrectly assessed and generated overpayments of subsidy. The Council will undertake full review of the 130 rent allowance claims that involve self-earned income and will report results to DWP when complete. Detailed testing of this area is needed in 2017/18 to determine whether the issue has been adequately resolved.

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

<b>Claim or return</b>	<b>2015/16 fee (£)</b>	<b>2016/17 indicative fee (£)</b>	<b>2016/17 actual fee (£)</b>	<b>Variance (£)</b>
Housing benefits subsidy claim (BEN01)	£15,557	£16,680	£16,680	-
Total	£15,557	£16,680	£16,680	-