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Dear Graeme

Certification work for Waverley Borough Council for the year ended 31 March 2018

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 Ltd (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 £28.5 million.

We identified the following issues from our certification work which we wish to highlight for your attention:

- There were two errors identified from the extended testing carried out on this year's subsidy return, both of which recurred from 2016/17.
- There was also one new area where we identified errors (calculation of childcare allowance), however this error had no net effect on subsidy.

The extrapolated financial impact on the claim of these errors, which we have reported to the DWP, was insignificant compared to the total subsidy receivable.

Further details of these issues are included in Appendix A.

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 to provide assurances on the errors we have identified.

The indicative fee for 2017/18 for the Council was based on the actual 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 £15,557. This is set out in more detail in Appendix B.

Yours sincerely



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

Claim or return	Value	Amended?	Amendment value	Qualified?	Comments
Housing benefits subsidy claim	£28,470,094	No	N/A	Yes	See below

Findings from certification of housing benefits subsidy claim

HRA Rent Rebates

In our initial testing we identified one case where the claimant's earned income was incorrectly assessed. The value of the resulting overpayment was £871. The extrapolated effect of this error on the claim was estimated to be £8,125.

In response to this error, the Authority performed 40+ testing on HRA Rent Rebates cases and checked that earned income was correctly assessed in each case. No further errors were identified. Similar findings have been reported in our qualification letters for the past two years.

Rent Allowances

Our initial testing identified one case where benefit had been underpaid as a result of the Authority miscalculating the claimant's weekly childcare allowance. The value of the resulting underpayment was £47, with no net impact on subsidy. In response to this error, the Authority performed 40+ testing on Rent Allowances cases and checked that childcare allowance was correctly assessed in each case. No further errors were identified.

In 2016/17 the Authority carried out 40+ testing in relation to a 2015/16 qualification issue. This testing identified one case where prior year LA error and administrative delay overpayment and prior year eligible overpayment were classified as current year eligible overpayments.

To address this issue in 2017/18 the Authority has carried out further 40+ testing. Testing of the 40+ sample identified one case where the Authority incorrectly classified £5 as current year eligible overpayment instead of current year LA error and administrative delay overpayment. As a result, cell 114 is overstated and cell 113 is understated. There is no effect on cell 94. The total extrapolated effect of this error is £270. Our initial testing in this area did not identify any similar errors.

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)	£15,557	£15,557	£15,557	£nil	Not applicable