



Grant Thornton

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17 January 2018

Dear Jane

Certification work for South Ribble Borough Council for year ended 31 March 2017

We are required to certify the Housing Benefit subsidy claim submitted by South Ribble 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 of £21.9 million. Further details are set out in Appendix A.

We identified only minor issues from our certification work that we wish to highlight for your attention and these generally related to following up findings from previous years. Details of these issues are set out in Appendix A.

As a result of the issues identified, we reported our findings to the Department of Work and Pensions (DWP). The DWP may require the Council to undertake further work or provide assurances on the issues reported in our qualification letter.

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 indicative scale fee set by PSAA for the Council for 2016/17 was £6,968. This is set out in more detail in Appendix B.

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	£21,883,545	No	0	Yes	See below for details.

Findings from certification of housing benefits subsidy claim

Incorrect Local Housing Allowance (LHA) applied

In previous years we have found that the incorrect LHA figure had been used due to the Council's housing benefit system not correcting the anniversary date. Additional testing was completed to follow up on the issue, with all similar cases in the year reviewed. The Council is dealing with this issue, with only minor errors identified resulting in overpayments of £129.60 and underpayments of £32.37.

Correct application of assessment dates for new cases and changes in circumstances

As a result of errors identified previously, additional testing was completed to ensure suitable documentation had been seen to support assessment dates for new cases and changes in circumstances. The testing identified one underpayment of £1.13. A further error, not related to the issue being tested, was found where an assessor missed an amendment on rent resulting in an overpayment of £38.40. Given we were not testing rent figures, we did not request the Council to complete further work on this issue. The DWP have written to South Ribble in January requesting further assurance.

LHA weekly rent

As a result of errors identified previously, the Council completed a 100% check of all LHA cases where a weekly, rather than monthly rent, had been recorded. The testing identified seven cases where the rent was incorrectly recorded. However, in each case the correct LHA rate was used. No errors were therefore found in housing benefit granted or subsidy claimed by the Council.

Payslip Cases

Errors have been previously identified in 2014-15 and 2015-16, due to the presentation of information relating to salary sacrifice for one large employer in the borough area. The testing identified one underpayment of £12.32, which does not affect subsidy and has not been classified as an error for subsidy purposes.

Incorrect change of date for non-dependent circumstances

As a result of errors identified previously, further testing was required to ensure that suitable documentation had been seen to support the inclusion of appropriate non-dependent deduction. No errors were found in this testing.

Working Tax Credit - income assessment applied correctly

In certifying the 2015-16 subsidy claim, we found an error relating to an incorrect recording of the working tax credit. Additional testing was therefore required to ensure working tax credit cases had been recorded correctly. The testing identified no errors.

Recommended actions for officers

We acknowledge that, due to the complex nature of assessing claims, there is a risk of errors arising in that assessment process. The Council should therefore continue to work on minimising the risk of such errors occurring.

Appendix B: Fees for 2016/17 certification work

Claim or return	2014/15 fee (£)	2016/17 indicative fee (£)	2016/17 actual fee (£)	Variance between indicative fee and actual (£)	Explanation for variances
Housing benefits subsidy claim (BEN01)	£9,290	£6,968	£6,968*	£0	No variance between indicative fee and actual
Total	£9,290	£6,968	£6,968*	£0	

* excludes any potential fee for additional work from DWP letter dated 11 January 2018