

Lisa Taylor
Director of Finance, Investment and Risk and s151 Officer
London Borough of Croydon
Bernard Weatherill House
8 Mint Walk
Croydon

28 February 2019

Dear Lisa

Certification work for the London Borough of Croydon for the year ended 31 March 2018

We are required to certify the Housing Benefit Subsidy Claim submitted by the London Borough of Croydon ('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 HBCOUNT issued by the Audit Commission in February 2015.

We have certified the Housing Benefit Subsidy Claim for the financial year 2017/18 relating to the subsidy claimed of £189 million. Further details are set out in Appendix A.

We identified two issues from our certification work which we wish to highlight for your attention. Additional testing was completed in one area, which was claimant income, and from this work we identified that the extrapolated financial impact on the claim from the errors found, which we have reported to the DWP, was £159. We also identified issues with the reconciliation cells not equalling the relevant Headline Cells, as required by the Claim Form, and the total value of these differences was £2,506.

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 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 £24,894. 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 2017/18

Claim or return	Value	Amended?	Amendment value	Qualified?	Comments
Housing Benefits Subsidy Claim	£188,567,131	No	N/A	Yes	Qualification letter reported errors found in several areas, more details on which can be seen below.

Findings from Certification of Housing Benefits Subsidy Claim

Claimant Income

In previous years we have identified issues in the calculation of the applicable Claimant Income for Rent Allowance Claims. Whilst no issues were identified from our initial testing in 2017-18, our additional testing identified one case where benefit had been overpaid, leading to an extrapolated error of £159. No other issues were identified from the testing in this area, but the error means that additional testing will be required in this area in 2018-19.

Reconciliations between Headline Cells and Reconciliation Cells

Within the Claim Form there are cells which are meant to reconcile with one another, to confirm that the value in the headline cells is consistent with the analysis across the detailed cells, where appropriate. When reviewing these cells we identified minor differences across each of the benefit types, as can be seen in the table shown below:

Claim cell:	£ amount:	Claim – reconciliation cell:	£ amount:	Difference:
011 – Non HRA Rent Rebates	£13,758,505	037	£13,758,499	£6
055 – Rent Rebates	£38,410,253	077	£38,410,485	(£232)
094 – Rent Allowance	£142,791,060	130	£142,788,792	£2,268

The Council should look to ensure that these pairs of cells are consistent moving forward to provide reassurance that the Claim Form has been correctly prepared.

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 area where we identified errors from our testing. Under the HBCOUNT methodology, this area will require additional testing in 2018-19 to determine whether the actions undertaken by officers have been successful in resolving the issues identified.

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)	£24,894	£24,894	£24,894	N/A	N/A
Total	£24,894	£24,894	£24,894	N/A	